

The NATIONAL UNDERWRITER

Life Insurance Edition

OFFICE
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Tulsa, Okla.
#284

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DEC 9 1938 B40

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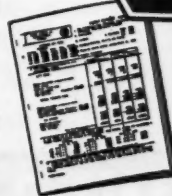
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**The NATIONAL
UNDERWRITER**

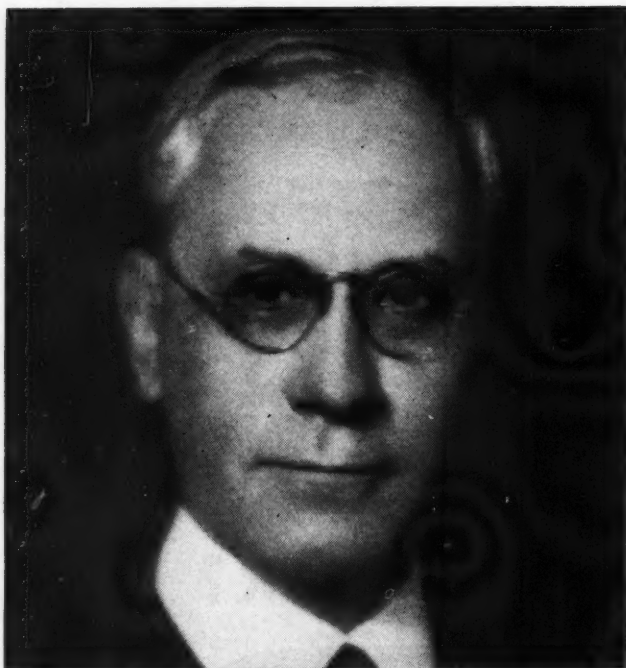
**An A. B. C.
Publication**

A.B.C. = Audit Bureau of Circulations = FACTS as a yardstick of advertising value

FRIDAY, DECEMBER 9, 1938

BMA

President's



Open Letter to His Sales Representatives

To all B. M. A. Salesmen:

The chief pleasure one derives from the swiftly passing years is the happy custom of expressing friendship and affection when another birthday comes around.

Few indeed have been as fortunate as I in the evidence of these friendships brought to me each November. And this year it seemed to me that all of you participating in the campaign in my honor did so with even greater energy and enthusiasm than ever before. With the fine spirit that existed throughout the month and the splendid cooperation extended by each one, it is no wonder that November was a record month.

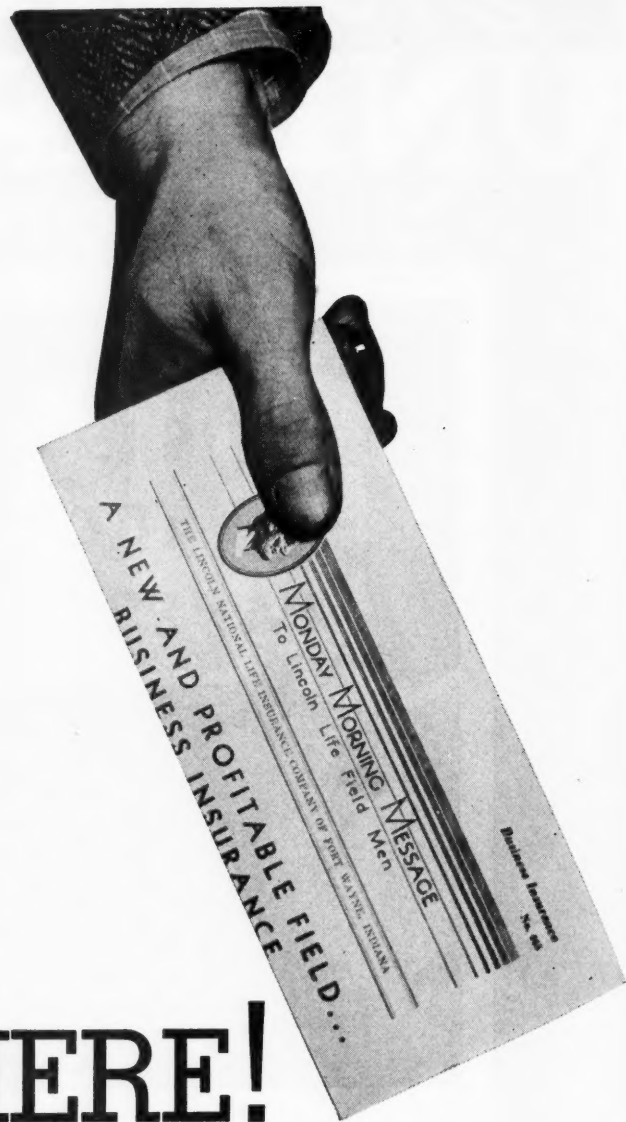
I want you to know how deeply I appreciate your efforts in making the November campaign the success it was. And thanks to you one and all for the many birthday greetings and felicitations, which made November 30 one of the very happiest birthdays I have ever known.

Sincerely,

President.

BUSINESS MEN'S ASSURANCE CO.

KANSAS CITY, MO.



HERE!

FIND OUT WHAT'S NEW THIS WEEK

Every Monday morning of the year, the LNL field man receives his copy of the Monday Morning Message. This up-to-the-minute bulletin offers one timely suggestion each week on a current life insurance sales opportunity, or bits of news that have a definite bearing on the coming week's sales activities. New, useful approaches, sales talks, closes are included. Every message helps LNL men sell.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, IND.

ITS NAME INDICATES ITS CHARACTER

The NATIONAL UNDERWRITER

Forty-second Year—No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 9, 1938

\$3.00 Per Year, 15 Cents a Copy

Warns of Efforts to Unify Control of Examinations

**Van Schaick Tells Com-
missioners Federal
Jurisdiction May Develop**

DES MOINES—G. S. Van Schaick, in addressing the meeting of the National Association of Insurance Commissioners here, made a careful statement of his opinion on the company examination issue. The theory that Mr. Van Schaick advanced lends support to the position of Superintendent Pink of New York against the zone plan of examinations, but he emphasized that he was not entering the dispute as to examinations. Mr. Van Schaick is vice-president of New York Life and preceded Mr. Pink as New York superintendent. Mr. Van Schaick warned that any effort of the association to force joint and unified control will inevitably develop into federal control.

Welcome Exhaustive Audits

"Most insurance companies welcome examinations that are careful, critical and exhaustive," Mr. Van Schaick stated. "They desire fullest publicity as to their condition and practices. They desire disinterested criticism that will help them render the public service for which they are formed."

"The presence of representatives of other states invited by the home commissioner to participate in his state's examinations has a wholesome effect and gives a breadth of viewpoint which is helpful. Whether the advantages offset the price which is paid out of policyholders' funds remains to be seen. Under the present practice, although representatives of other states participate, the examination remains, as the law and the principles of state supervision contemplate, the sole responsibility of the state making it. There is no divided or joint or unified responsibility. The commissioner of the domiciliary state is the one who has in a broad sense the power of life and death over a company which emphasizes the need of his assuming full responsibility for his own company examinations."

Supremacy of State Supervision

"This association was conceived on the principle of the supremacy of state supervision of insurance with activities advisory and not mandatory. Its great and almost phenomenal success has come from taking advisory action which the states have followed solely by reason of merit and mutual advantage, not by compulsion. It has existed under a system similar to that of the states under the articles of confederation before federalization came by the adoption of the federal constitution."

"In my opinion only so long as state action, control and supremacy are thus recognized can state supervision have hope of being the supervision of the future. It is highly probable that if state

(CONTINUED ON PAGE 12)

Avoid Competitive Dividends: Bullitt

**First Duty Is to Set Ample
Contingency Reserve,
Counsel Speaker Says**

NEW YORK—Strong recommendation was made by William Marshall Bullitt in addressing the annual meeting of the Life Counsel Association here that the directors of a mutual life company in fixing the amount of surplus to be equitably distributed among policyholders, first, consider the financial position of the company and the amount which it should maintain as a contingency reserve.

"If the dividend policy is to be primarily influenced by a company's relation to the dividends paid during previous years," Mr. Bullitt declared, "or by what sum another company has paid or is expected to pay in dividends, the company has abandoned the true principle of dividend distribution; runs the risk of reducing its contingency reserve to a dangerously low point and fails to take into account the problems presented by the present economic situation."

Interest Profit Decreasing

The speaker observed that today the companies have a substantial mortality profit, a small expense profit and a small, but constantly decreasing interest profit, which threatens shortly, if interest rates earned continue to decrease, to become a source of heavy loss. In some companies there is a small accidental death profit. Most companies that have written income disability are continuing to suffer very heavy disability losses. All companies will probably continue to suffer, he predicted, substantial investment losses which must be made good out of contingency reserve or out of current profits.

Of all these problems, he declared, the one of declining interest rate is by far the most serious. Any even small reduction in the rate of interest earned when applied to the tremendous sum upon which interest is earned means in dollars and cents an enormous reduction in the sum available for distribution as dividends. As the interest rate declines toward the 3 or 3½ percent assumed in the premium and reserve calculation, the profits from mortality, expense and possibly accidental death minus losses from disability will practically become the sole source of divisible surplus. If the rate actually drops below the 3 or 3½ percent it would produce a negative interest factor. Unless that could be offset by the positive factors of mortality expense, etc., there will be no dividends payable at all, Mr. Bullitt declared.

Since 1930, he declared, the interest rate earned by 20 of the largest companies has dropped from 5 percent to 3.67 percent. That is a decrease of 25 percent. That does not take into account investment losses. If the 5 percent interest rate that prevailed in 1930 had prevailed in 1937, those 20 companies, he said, would have earned nearly \$300,000,000 more in interest than they actually did earn. Those companies then could have paid 70 percent greater dividends in 1938 on ordinary policies.

Examination Issue Paramount Problem

**Insurance Commissioners
Are About Where They
Were in the Past**

DES MOINES—The most strenuous and exciting measure before the National Association of Insurance Commissioners centered about examinations. The examinations committee headed by Read of Oklahoma met for almost five hours Monday in executive session and two hours Tuesday. It was the old issue of the Western Conference of Insurance Commissioners reinforced by some others that felt their states were not being properly recognized in examinations. It was contended that Pink of New York was not responding and did not try to cooperate. Complaint also was made of Connecticut and Massachusetts.

Petition Caused Much Discussion

A petition was sent to the committee demanding that the zone convention plan be applied to 34 companies all domiciled in these three states. There was a hot discussion and many charges were flung back and forth. Pink addressed the assembly and reiterated his position, saying he would cooperate as far as he could under New York laws. Blackall of Connecticut and Harrington of Massachusetts expressed themselves as desirous of meeting all reasonable demands. In the end the petition was withdrawn and seemingly better feeling prevailed.

There was one change in the zone system. Hereafter if a company has not \$1,000,000 annual premium income from a zone, it will not participate in the examination.

Examination Proposal

Another motion prevailed that only the U. S. business and statement of a foreign company would be examined. This applies of course chiefly to Canadian life companies.

Commissioner Blackall explained that the press of other matters had delayed him in calling for examination of Connecticut companies. Commissioner Harrington declared being comparatively new in office he had not gotten his bearings but would in due season catch up with Massachusetts examinations. It is the general opinion that the clash this week has clarified the atmosphere and created a better understanding.

Pew's Proposal Overlooked

The proposal of Pew of Iowa made in general session was not brought up. Heretofore when the home state commissioner asked for a convention examination he requested that certain zone or zones be asked to participate. Now when such examination is asked, the chairman of the examinations committee, Read of Oklahoma, must notify all zones where the company collects 9 million dollars in premiums yearly to arrange for participation. This relieves a company of having an examiner from a zone where it does less than a million but makes it mandatory on others to participate.

Commissioners Vote for San Francisco for Annual Meeting

**Decide to Have Special
Committee to Represent
Them in SEC Probe**

By C. M. CARTWRIGHT

DES MOINES.—The National Association of Insurance Commissioners in midyear session voted to hold the annual meeting at Mark Hopkins Hotel, San Francisco, June 21-23. June 24 will be designated "Insurance Day" by the exposition.

The commissioners went into executive session Monday morning to hear Thos. C. Blaisdell, who has charge of the SEC investigation of insurance companies. He was invited and accompanied by Palmer of Illinois. Mr. Blaisdell presented the purposes of the investigation, the procedure to be followed and the program adopted. He asked for the cooperation of the commissioners. At the meeting of the executive committee it was decided to appoint a special committee to represent the association in the premises.

Valuation Committee Report

The valuations committee presided over by Pink of New York voted to use the same rules for Dec. 31 next as prevailed last year.

The question of adopting a formula for average value of stocks rather than market values of Dec. 31 came up, supported by Pink and Bowen of Ohio. However there was a preponderance of opinion in favor of the market value plan and it was decided to continue it.

Purchasing Large Blocks

There was considerable discussion as to the proper value of large blocks of bonds that life companies especially purchased direct from a concern issuing them, thus avoiding the SEC registration and expense. Without registration, there are no market quotations. There is liability attached for if a company takes \$10,000,000 of a \$50,000,000 it must sign for the entire issue when registration is made. The SEC is now making a list of all such issues sold in private. It was stated one life company purchased \$400,000,000 of an issue. It is estimated that life companies own upward of \$1,000,000,000 of such bonds. The act exempts from the registration requirement securities sold to private investors that do not purchase for the purpose of resale. Such securities may thereafter be lawfully sold by the purchasers and subsequent owners without registration.

It was voted to have such bonds valued at cost if they meet the approval of the experts employed by the valuation committee and then they can be put on an amortized basis.

(CONTINUED ON PAGE 12)

Two Southern Julians Steal Life Presidents Meeting

By ROBERT B. MITCHELL

NEW YORK—Though the annual conventions of the Life Presidents' association closely approach perfection in caliber of speakers and smoothness of routine, each of these annual gatherings has its own individual tone and character. In some degree these are governed by current developments in life insurance which are the subjects of conversation in the anterooms of the meeting place.

But to a very great extent it is the convention chairman who gives each of these meetings its individual, distinctive flavor. It would be difficult to conceive of a happier choice for master of ceremonies than President Julian Price of Jefferson Standard. Mr. Price kept the sessions on a basis of easy informality. His introductions were punctuated by witty observations.

Mr. Price was about as unorthodox as any chairman of a Life President's meeting. He was always doing the unexpected. He had a fund of southern stories. Then F. N. Julian, Alabama commissioner and president National Association of Insurance Commissioners blazed forth with stories. So the two southern Julians pretty largely captured the convention.

Julian Price's Hat

V. P. Whitsitt, manager and general counsel, set the informal tone in his introduction of Mr. Price by kidding him about wearing his hat, saying that "those of us who know Julian quite well feel that it is rather unusual to see him here without his hat on." Mr. Whitsitt went on to say that he had received a request signed by a group of Mr. Price's friends asking that he be allowed to wear his hat while presiding.

"I was prevented from doing that, however, because as he came up in the elevator this morning, his loyal son (Ralph C. Price, vice-president Jefferson Standard) grabbed his hat away from him and checked it and now has the check in his pocket," Mr. Whitsitt said.

Needed "Shock Absorber"

Mr. Price said that when Mr. Whitsitt asked him to act as chairman, "I asked him what the trouble was, whether he needed a shock absorber and wanted a good Democrat from down south." "Well, he denied that," the chairman conceded, "but in my own mind I have come to the conclusion that if he hadn't given me the invitation when he did, I wouldn't be here today because that was prior to the November election."

Sartorial details came up again in Mr. Price's introduction of T. A. Phillips, president of Minnesota Mutual Life. It seemed that Mr. Price had encountered Mr. Phillips wearing spats the previous day.

"I told him that I wouldn't approve of them unless I could borrow them, because a fellow down our way, if he wears spats, most of the people in the audience take time to look at the spats rather than listen to what he has to say," Mr. Price explained. "But I see he came in today dressed like real folks from down home."

Mr. Phillips replied to this by saying that he left his spats in his bedroom because I realized what a handsome man you had up here and realized that you would be looking at Julian rather than me anyhow."

Another point where Chairman Price got a laugh was during his introduction of John A. Stevenson, executive vice-president Penn Mutual Life. Referring to Mr. Stevenson's active interest in numerous community affairs, Mr. Price said:

"Confidentially, there is one circumstance from his life which I feel his audi-

ence should be warned of before he takes the platform. If perchance you do not agree with all that Mr. Stevenson says, let me beg you to be very careful of your comments for among the many positions which he holds is that of trustee of a school of lip-reading."

Also contributing prominently to the lighter side of the meeting was Commissioner Julian of Alabama. Referring to his friends among the insurance executives, Mr. Julian expressed approval of President W. H. Kingsley of Penn Mutual.

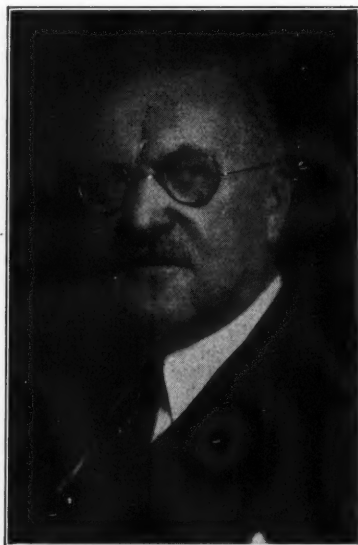
"He believes in a free coinage and free distribution of silver," Commissioner Julian said. "In fact, he gave me 80 cents in new coins this morning. The examination committee of the National Convention of Insurance Commissioners will investigate that to see whether or not he is using the policyholders' money to bribe an insurance commissioner, because the price he gave is about the usual bribe that is offered."

Commissioner Julian mentioned that a high cabinet official had said that there is a potential market in the south for some \$30,000,000 worth of shoes every year. Mr. Julian said that he didn't want to wear shoes to the meeting but it was part of the New Deal and he had to put them on.

Referring to the efforts of another high official whom he termed "head of the spending division of the United States government," Mr. Julian said that this official was trying to change the southern diet from greens, grits and gravy. Deploping this move, the commissioner cited a 92-year-old North Carolinian, the proud father of a 16-month old baby, and exclaimed, "and they want to change the diet that made men like that!"

Commissioner Julian's prize story was about a southern mountaineer lass who successfully withstood the educational

Again the Host



JOHN J. KING

About 100 guests were present at the dinner given in New York by John J. King, president of Hooper-Holmes Bureau, for W. T. Grant, president of Business Men's Assurance and the new president of American Life Convention. For a good many years Mr. King has given a dinner for the A. L. C. president during the week of the Life Presidents Association meeting.

and uplifting efforts of a New England mission worker. The mission worker, endeavoring to see how much of her instruction had sunk in, was questioning the pupils and asked the girl, "Mary, you tell us, please, who was the first man?" Mary flushed, looked up defiantly and said, "I'd rather die first!"

The association elected the following executive committee, all being company presidents with the exception of Mr. Whitsitt. V. P. Whitsitt, manager and general counsel, Life Presidents association, chairman; A. L. Aiken, New York Life; E. S. Brigham, National of Vermont; W. Howard Cox, Union Central; Franklin D'Olier, Prudential; J. R. Hardin, Mutual Benefit Life; D. F. Houston, Mutual of New York; L. A. Lincoln, Metropolitan; H. S. Nollen, Equitable of Iowa; T. I. Parkinson, Equitable Society; G. W. Smith, New England Mutual; L. Edmund Zacher, Travelers.

Mr. Whitsitt and all other officers were reelected.

While final figures are not yet available on attendance, those attending numbered approximately 600, an exceptionally large figure in view of the commissioners' convention being held elsewhere.

More Field Men

The trend of attendance at the annual gatherings of Life Presidents association has been definitely upward, deviations usually being due to the holding of the conventions of the National Association of Insurance Commissioners elsewhere than in New York City. One thing that is bound to impress anyone who has attended a number of Life Presidents' meetings is the increased number of agency men who attend. This does not only mean agency vice-presidents but other home office agency officials as well and quite a few leading general agents, managers and personal producers.

This is partly due perhaps to the almost coinciding meetings of the eastern section of the Million Dollar Round Table and the trustees of the National Association of Life Underwriters but it undoubtedly signifies a realization that production is not something off by itself in a separate department from administration but it is an integral part of the institution of life insurance. Problems of the agency end of the business, it is more and more being realized, must be settled in the light of their effect on the business in its entirety.

Not Just Business-Getting

In past years there was a tendency to think of the agency end's job as merely one of getting the business. It is now recognized that what the agency department and the agents do has a direct bearing on the entire operations of a company. For example, Dr. Harold M. Frost, medical director of the New England Mutual Life, in his paper on "The Human Significance of Changing Mortality," told those attending the Life Presidents' gathering how closely the type of business brought in by agents is linked up with mortality.

Then, there is the public relations angle. The thousands of agents who represent the institution of life insurance are its ambassadors to the public. What they do and say can have a vital bearing on what the public thinks about life insurance. And if there is any doubt that the companies are coming to a realization of the importance of what the public thinks about life insurance, it should be noted that a group of the companies last week appointed a committee to go thoroughly into this subject and to consider plans for an organization which would study the public's reaction and gain a better acceptance of life insurance.

The interest of the men in the production end in the Life Presidents' gatherings is of course increased as the public takes a more and more intelligent view of life insurance. Even a distorted and hypercritical interest on the part of the public is stimulating, although not necessarily comforting to insurance men. Policyholders are learning to ask a lot of questions that have nothing to do

Ad Conference to Meet in New York

NEW YORK—Among the outstanding speakers on the program for the Dec. 13 meeting of the Insurance Advertising Conference to be held at the Hotel Pennsylvania here are Bruce Barton, congressman and advertising man; Dr. George H. Gallup, well-known prophet on public opinion and originator of the famous "Gallup Surveys"; Glenn Griswold, former publisher of "Business Week," who is now a consultant on public relations; and Merryle S. Rukeyser, economic commentator for the New York "Journal" and "American" and the International News Service. The meeting will start in the morning and, following a luncheon, group sessions will be arranged.

The program committee is headed by David C. Gibson, vice-president of the Maryland Casualty.

with the actual sale of a policy but deal with general questions of investment, underwriting, or administration. The Life Presidents association's conventions, not only for the high caliber addresses that are presented but for the opportunity to chat with company officials and others, are a liberal life insurance education for the man who is interested in the broader aspects of the business.

Of the non-insurance speakers, E. R. Stettinius Jr., chairman of the board and member of the finance committee of the U. S. Steel had much to say of direct insurance interest. Unfortunately, Mr. Stettinius was unable to be present because of the serious illness of his mother but his talk was read by William Beye of the steel corporation. Mrs. Stettinius died Monday of this week in Locust Valley, N. Y.

Lauds Group Insurance

In his paper, "Employee Security and Social Standards in Industry," Mr. Stettinius touched on group insurance saying that "no matter what employees do for themselves through individual insurance or what the state does in social insurance, I am convinced that the field of group insurance will continue to expand."

"I believe that one of the surest ways to raise industry's social standards is through the intelligent application of insurance to the needs of industry," he said. "Certainly the broad field of insurance is important enough to call forth all the practical idealism of both the industrialists and, you, the leaders in insurance."

Wants "Happy People"

"This constructive activity in insurance is only a part of your broader service which helps to school the nation in thrift and foresighted planning for security. Who can over-estimate the importance of the insurance mission which, by providing protection against mischance and misfortune, increases human happiness and contentment? Notwithstanding the great engineering and scientific advances in this modern world, and the progress in all the managing and directing functions of society, our efforts will be of no avail unless they combine to create a social scene containing a happy people."

"We know that happiness has many roots, but none is more important than security. Fortunately, a reasonable degree of security for all well-disposed and industrious persons is feasible through the cooperation of the individual, the group and the state. In serving the individual and the group in their quest for security, you gentlemen stand responsible on the highest plane of trusteeship. Equally, industrial leadership should stand ready to give an accounting in terms which show that it has a moral, as well as financial, justification for its stewardship."

Demand Bigger Death Benefits in Federal Scheme

Expect Congress to Make Changes in Social Security Act

WASHINGTON, D. C.—Addition of widows' and orphans' pension benefits to federal old age security is regarded as certain to come up for lively discussion at the approaching session of Congress, though well informed sources do not believe that sufficient pressure can be mustered to get such a major change enacted next year. However, they feel it is only a matter of another year or so before such provisions are incorporated into the law.

The proposal will probably be to substitute a form of decreasing term insurance for the lump sum death benefit now payable under federal social security in cases where the employee does not live long enough to get his contribution back in the form of pension payments. Critics of the present plan have pointed out that the death benefit, representing the employees' share of the reserve, begins at zero and mounts slowly until age 65, thereby providing almost the exact opposite of the type of protection that would be the most desirable for a man having a wife and children. What such an individual needs to supply the income that would be cut off in the event of his death is something in the nature of a family income rider which would provide at least a subsistence income until the youngest child would be presumably self-supporting—that is, the period which has been designated as "acute dependency."

Would Be Substitute

So far, proposals that have been discussed would not add the income protection to the existing cash reserve but would substitute it for the cash reserve, although of course, the reserve could not be eliminated entirely or there would be nothing left for retirement purposes when an employee reached age 65.

In life insurance terms the proposal would change the present system, which is analogous to a retirement annuity without any insurance element to what some companies call a retirement income or retirement endowment policy, having insurance as well as retirement values. The outstanding difference would be that the insurance element would be small in comparison with the retirement feature and would be payable only in income and not in cash.

No Rival to Industrial

Since the agitation is for an income benefit rather than a lump sum settlement, the effect on industrial and group insurance should not be detrimental, inasmuch as these are practically always used for cleanup expenses or a cash emergency fund rather than to provide income.

The strength of the radical old age pension plans like the "30-Every-Thursdays" and the Townsend plan in the last election make it clear that something will have to be done by the senators and congressmen when they get back to Washington. A number of them were elected on the promise that they would do something definite about pensions for the aged.

It is not entirely impossible that there will be agitation to add disability benefits to federal social security, although this possibility is much less definite than the one just mentioned.

In any event, quite a few changes are

Golden Jubilee at Chicago Draws 1,100

Life Association Celebrates at Dinner-Dance; 14 Past Presidents Attend

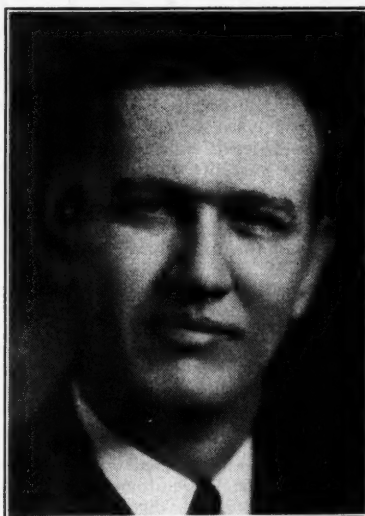
Fourteen of the 20 living past presidents of the Chicago Association of Life Underwriters, whose terms cover a quarter century period, were paid special honors at the golden jubilee party of that organization held this week, attended by more than 1,100 persons, including many home office executives, officials of Illinois life underwriters associations, agents in that state and elsewhere.

The past presidents were grouped at a special table. They included R. F. Palmer, Berkshire Life, 1913; W. F. Crawford, Equitable of Iowa, 1917; E. C. Platter, 1919, Massachusetts Mutual; W. W. Williamson, Connecticut Mutual, 1924-25; C. F. Axelson, Northwestern Mutual, 1926, past president Illinois Association of Life Underwriters; S. T. Whatley, vice-president Aetna Life, 1927; B. C. Howes, Berkshire Life, 1928; E. B. Thurman, New England Mutual, 1929; Harry T. Wright, Equitable So-

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scheduled for the social security act. There are certain to be proposals to begin benefit payments in 1940, instead of 1942, which the present law provides. Efforts will be made to include groups now exempt, such as seamen. The American Bankers Association now feels that national banks should be excluded, which were left out because they are "federal instrumentalities." There will undoubtedly be an effort to get non-profit organizations and church and charitable organizations included.

Sets High Goal



JOHN A. WITHERSPOON

John A. Witherspoon, as the new chairman of the membership committee of the National Association of Life Underwriters, has committed himself to an especially high objective so that the association will come up to its 50th anniversary next year with an impressive showing numerically. Judged by the quotas that many of the associations have already set for themselves, the increase in membership of the National association should be in the neighborhood of 16 percent. He will undertake to complete the task by March 1, instead of as usual in June. Mr. Witherspoon is general agent for John Hancock Mutual. He is a trustee of the National Association of Life Underwriters.

Stabilizing Agents' Income Most Vital Issue, Says Johnson

N. A. L. U. Head Asks Life Presidents Body to Assume Leadership

NEW YORK—Stabilization of agents' incomes is the most important improvement that must be considered in the life insurance agency system, H. J. Johnson, general agent Penn Mutual Life, Pittsburgh, declared on behalf of the National Association of Life Underwriters, of which he is president, in addressing the Life Presidents Association convention. Mr. Johnson expressed the hope that his hearers would agree that in this "our companies should assume the leadership."

Pointing out that many executive officers have said that the future of life insurance costs will be determined largely by mortality, Mr. Johnson said that this in turn presupposes the production of quality business and this requires the type of full-time agents in urban centers who will produce such business and adequately represent the companies with the public.

No Change in Ratios

Mr. Johnson made it clear that by stabilization of income he did not necessarily mean changing the compensation factors, but rather the distribution of present income factors by the company or by the general agent or manager, or by both working together, in order to accomplish this objective.

"How many of our average producers, because of irregularity of production results and the demand on their time for service, find themselves at the end of their career with little or no financial reserve?" Mr. Johnson asked. "Because of the fluctuation of their income, they find it extremely difficult to establish any fixed standard of living which leaves sufficient margin for future security."

Would Remove Pressure

Continuing his plea for stabilization of agents' income, Mr. Johnson said:

"Such a wholesome change would have a far-reaching result not only in the agent's attitude because of the removal of fear and uncertainty, but also by taking away the pressure of immediate results from the public, and provide, I believe, a higher degree of service to the insured, but above all the removal of economic pressure would have its influence on the production of a higher quality business with a greater persistence."

Mr. Johnson said that if it is true that the cost of life insurance will be influenced largely by mortality, which in turn is influenced by the type of agency representation, then the things which are done to bring a greater prestige and recognition will in reality strengthen the entire structure of the life insurance business.

Delaware Commissioner Is Retiring; Swan Is Successor

J. P. Hammond, Delaware commissioner, who attended the Des Moines convention, will retire from office Jan. 1, after four years most intelligent service. He was not a candidate for reelection as he desired to return to his automobile sales agency at Milford. He and Mrs. Hammond have been favorites at commissioners' gatherings. His successor is W. J. Swain of Bridgeville who served before as commissioner.

The House Across the Street

Here's a letter on an old, old subject, which tells an old, old disastrous story:

"Some ten years ago a good friend of mine died. He left \$50,000 life insurance, of which \$29,000 was with us. I took to his widow—I knew her fairly well—a check for \$29,000 plus. And I said, 'I am going to give you some good advice. Of the 50 that Charlie has left you, take about 15 or 20 and with it arrange to get a monthly income for the rest of your life.' She blew up and said, 'I don't want anybody's advice as to how to handle my money.'"

"A few days ago I met her in the small town where she lives. I said, 'How much of the 50 that Charlie left you have you got left?' She pointed to a house across the street, and said, 'That's all, and I'm keeping boarders.' 'What happened?' I asked. 'My brother made some bad investments,' she answered."

Money-prudent wives are in the majority. But money prudence and investment judgment are not the same thing. And brother, or Uncle Jim, or son may make a disastrous mistake, even as some money-prudent widows do. A Life Company's monthly income or an annuity gives supreme safety.

+ + +

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Companies Appoint Committee to Study Public Relations

Will Consider Plans for New Organization to Go Into Methods

NEW YORK—Plans for an organization to study methods of bringing about a better public understanding of life insurance and its services will be considered during the next month or two by an organizing committee that was formerly appointed at the time of the Life Presidents Association meeting in New York. It is understood that plans are being carried forward by companies of the American Life Convention as



FRAZAR WILDE

well as of the Life Presidents Association. The Life Presidents committee has been in existence in an informal way for several months and has already given much thought to the matter.

The meeting at which the committee was formally appointed was unanimous in the view that ways and means of assuring better public understanding should be studied. Appointment of this committee is the culmination of more than two years of discussion of the subject public relations among life company executives.

Frazar Wilde Chairman

Frazar Wilde, president Connecticut General Life, is chairman of the organizing committee. Other members are A. F. Hall, president Lincoln National Life; W. Howard Cox, president Union Central Life; W. W. Head, president General American Life; R. D. Murphy, vice-president and actuary Equitable Society; Julian Price, president Jefferson Standard Life; C. G. Taylor, Jr., second vice-president Metropolitan Life.

No date for the first meeting of the committee has been announced, but a date will be decided on shortly.

Mike O'Sullivan Gets a Call

LOS ANGELES.—Mike O'Sullivan, who for the past several years has been an executive of different so-called assessment and chapter 9 life companies in California, is being mentioned as one of the possibilities for appointment as insurance commissioner. He was active in the campaign for Olson, the governor-elect, and there is talk that Olson has a kindly feeling toward chapter 9 companies.

Private Security Sales Are Big Saving to Companies

NEW YORK—Data indicating that even at a conservative estimate private placing of a \$50,000,000 issue of securities would result in a saving of about \$1,000,000 over the public issue method were contained in a paper presented by Churchill Rodgers, assistant general counsel Metropolitan Life, at the annual meeting of the Life Counsel association.

While Mr. Rodgers did not draw this conclusion in his paper, a practical application of his analysis of cost factors by the private as against the public placement of securities shows that the saving by the private method is approximately 2 percent. Most of the saving is in commissions that would be paid to investment bankers and which are saved by the direct sale.

Mr. Rodgers predicted with a return to more normal conditions and a more adequate supply of the usual type of securities, the life companies' policy of wide diversification might naturally tend to reduce their volume of direct purchases of securities. He suggested that the development of private financing might safely be left to natural economic controls and predicted that when private financing has ceased to perform a useful function it will no longer be used, but so long as and to the extent that it is economical and sound it will, barring artificial restraints, survive as an established mode of financing.

Calls Fears Groundless

Mr. Rodgers, while conceding that the destruction of the investment banking industry would be a bad thing for all concerned, said that an examination of the facts shows that the alleged fear of such destruction being caused by private financing is unjustified. Even though the volume of private financing should increase, its proportion to all financing in normal years would certainly tend to be less, and consequently an even smaller threat to the existence of the industry.

"Certainly, the existence of the industry cannot depend on the underwriting of issues which need no underwriting," he stated.

A. F. Hall Tells Agency Force of Contemplated Move

In announcing to the individual members of the field force his intention Feb. 1 to become chairman of the board of Lincoln National Life and to be succeeded in the presidency by A. J. McAndless, Arthur F. Hall encloses a copy of the stimulating address that he gave at the meeting of the American Life Convention in 1935, "The Development of the Official Staff of a Life Insurance Company."

"It sets out my philosophy of management; it will give you an understanding of why this company enjoys the confidence of its employees, its salesmen, the members of the entire life insurance fraternity, and the public generally. From it you will discover the reasons for the unusual success of your company," Mr. Hall observes.

Near Billion Dollar Class

"The Lincoln National Life has become immense and will soon enter the billion dollar class. I like to have you picture the management of it as a mosaic composed of many people with diverse abilities and duties. When assembled each in his proper place, they form a finished picture, of which I am very proud.

"I shall continue to be the chief executive; you will find my duties set out on pages 6 and 7. Mr. McAndless will be the chief administrative officer. He has demonstrated his fine abilities as an

"Private financing is a simple and economically sound procedure, which has taken its natural place as a useful supplement to public distribution as a method of financing. There is every reason to believe that the practice will continue, modified perhaps from time to time to fit the needs of investors and issuers in the light of changing conditions.

"There is a growing demand for smaller industrial loans and a simplified mechanism for the making of such loans. For small issues the burdens of registration and other expenses and formalities incident to public distribution are particularly burdensome. Perhaps, private financing will tend in the future to be used more frequently for small and medium sized issues, thus complying with this demand.

Life Companies Diversify

"The life insurance companies follow a clearly defined policy of wide diversification in their investment portfolios. In line with this policy they would naturally prefer to purchase relatively small amounts in a large number of issues rather than large amounts in a comparatively limited number of issues. In recent years, however, the volume of public offerings of new capital issues of the type purchased by life insurance companies has been small. With the more adequate supply of such securities which should accompany the return of more normal conditions, this policy of wide diversification may naturally tend to reduce the volume of direct purchases of securities by life insurance companies.

"Financing is bound to continue to seek the simplest and most economical means of accomplishment. It is submitted that the development of private financing may safely be left to natural economic controls. When private financing has ceased to perform a useful function it will no longer be used, but so long as and to the extent that it is economical and sound it will, barring artificial restraints, survive as an established mode of financing," said Mr. Rodgers.

State Vice-presidents Named in A. L. C. Announced

State vice-presidents of the American Life Convention were announced by Col. C. B. Robbins, manager and general counsel. They were elected at the annual meeting in Chicago recently, but the new setup was not announced at that time. Notification of their election has just been transmitted to them.

Gerard S. Nollen, president Bankers Life of Iowa, succeeds A. H. Hoffman, president American Mutual of Des Moines, in Iowa. T. H. Tangeman, vice-president and counsel Columbus Mutual Life, takes the place of J. Wright, vice-president and general counsel Midland Mutual Life, in that state.

W. P. Stevens, president Scranton Life, in Pennsylvania replaces Clifton Maloney, president Philadelphia Life. J. M. Finlay, general counsel Interstate Life & Accident, in Tennessee succeeds A. M. Burton, president Life & Casualty of Nashville. Richard Boissard, vice president and actuary National Guardian Life, succeeds N. J. Frey, president Wisconsin Life in Wisconsin. In other states those who have served for the last year hold over.

administrator during the three years he has been executive vice-president.

"Next to my family this organization is in my heart. I hope to continue as its head for many years to come."

Company Itself Is Perfectly Willing to Meet Obligations

President of Metropolitan Tells Policyholders Not to Go Outside

There are found in New York City and even in other points broadcasters, advisors, actuaries, so-called experts, etc., who through sophistry, exaggeration and erroneous information appeal to policyholders to bring their policies to their headquarters and they will be advised as to what is the best course to pursue. The claim is made that these people will be able to secure for them equities which the policyholders themselves might not be able to obtain. In Cincinnati a broadcaster, a former industrial agent, is appealing especially to industrial policyholders. The Metropolitan Life brings out the point that the company which issues a policy will do everything that the contract obligates itself to do and there will be no cost to the policyholder. Broadcasters, of course, exact a fee for their service.

President Lincoln's Advice

"The best advice about life insurance is free," the Metropolitan Life has advised the policyholders of that company in a statement over the signature of President L. A. Lincoln, which is being distributed to policyholders.

"You are entitled to this service at no charge," Mr. Lincoln continues. "You need never pay any person to obtain any value or benefit provided by your life insurance in the Metropolitan. Neither is it necessary to pay for information or advice regarding any Metropolitan policy."

Spared Needless Expense

"I am bringing this subject to your attention in the hope that if you desire to take up any matter relating to your policies, you may be spared any unfortunate experience or needless expense and may not find yourself in a situation where your own best interests may be sacrificed. If policyholders allow themselves to be persuaded to be dissatisfied about their present insurance and to consider some change, they will find, after paying the required fee, if any, that they have obtained nothing that the company would not have given gladly and freely if they had informed the company of their wishes.

Value of Policy Is Fixed

"The value of any policy and its benefits and provisions are fixed by its terms, which are fully and plainly stated in the contract, the form of which is approved by various state insurance departments. In the case of older industrial policies, additional benefits, the nature and terms of which are fully known to the insurance departments, have been voluntarily added by the company since the policies were issued. While benefits added since the policies were issued cannot appear in the policies themselves, they are always allowed to every person entitled to them. Any representative of the Metropolitan will gladly give information regarding such benefits. No outside adviser can change any policy provision or obtain one cent more than you yourself would receive direct from the company."

T. G. Walsh, for 16 years in the life business at Hartford prior to his removal to New Haven two years ago, has returned to Hartford, where he will be associated with the Mutual Life of New York.

DECEMBER EDITION



HOME MADE NEWS

Published by
HOME LIFE INSURANCE COMPANY
 256 Broadway, New York

A
**COMPANY OF
 OPPORTUNITIES**

ETHELBERT IDE LOW, *Chairman of the Board*

JAMES A. FULTON, *President*

A "PRIMED FOR ACTION" PLAN FOR GENERAL AGENCY PROMOTIONS

EDITORIAL COMMENT

Desirability in Promoting Company's Men

MORE and more life companies are finding it decidedly advantageous to promote their own men when they have district or general agency vacancies. In years past general agents were very reluctant to give up a successful man for such promotion and hence a company was wont to go outside its ranks and pick someone from another company.

As time has gone on, officials have become convinced that they should have in the making managerial and general agency timber that can be used at any moment. They realize that a good producer may not be a successful general agent. They do appreciate the fact, however, that the training should be in the field and therefore that a man should

be at least a fair success in personal solicitation. However, he should have had also some ground work in recruiting agents, looking after them, managing, etc. The plan naturally is to make him a supervisor or unit manager. A man thus schooled has the advantage of knowing his company, its contracts, the head office, the setup of the company, record of the officials, etc. He does not have to get his bearings. He is already primed for action. Those that have been promoting their own men find that there is an advantage in letting men down the line know that they may be on the road for promotion if they can qualify and have the characteristics to make a successful administrator.

—Reprinted from THE NATIONAL UNDERWRITER

MR. EDITOR: We saved this editorial clipping from a recent issue of The National Underwriter because it so aptly expresses Home Life's attitude toward agency expansion.

Home Life has a step-by-step procedure of developing a producer who has management aspirations. This procedure is clearly outlined. Also—and this is important—*there is a well-defined opportunity awaiting him as soon as he has qualified.*

When a young man has demonstrated through his experience with Home Life that he is qualified to assume administrative responsibilities, Home Life is in a position to reward him with a chance to build an Agency of his own. There is no waiting.

It is not enough, however, to simply commit the Company to an Expansion Program in order to provide advancement for young men. There must be a definite well-rounded plan. Home Life has that "Primed for Action" plan.

The Plan divides itself into three stages of development; (1) Personal selling experience under the Company's sales method called "Client Building through Planned Estates," (2) Supervisory experience with his General Agent, (3) Experience as Home Office Agency Assistant. Of vital importance is this latter phase of Home Life's plan of development of those General Agents of the future. If the domestic situation permits freedom of travel, then, in not one agency alone, but in many does the Agency Field Assistant "sit in" on management problems, assisting General Agents in recruiting, training, and direction of field activities. This "Primed for Action" plan works! Three Agency Officers of Home Life were Field Assistants. In the Company's ranking ten agencies, there are three which are headed by former Field Assistants—all of these men practically starting from scratch operation.

In Home Life, men do not wait for opportunity—opportunity waits on the man.

Zone Plan Gains Support: Read

Report of Examination Committee Is Given in Des Moines

DES MOINES — Since June, 1936, when the zone plan of company examinations was instituted under the auspices of the National Association of Insurance Commissioners, 302 convention examinations have been conducted with 44 states participating either by calling the examination or by furnishing an examiner. That information is contained in the report of Jess G. Read of Oklahoma, secretary of the commissioners' association and chairman of its examination committee, submitted at the mid-winter meeting here.

Mr. Read said the number of examinations held has increased each year and the number of states to call convention examinations has increased each year. In 1936, 20 states called convention examinations in which 38 states participated; in 1937, 33 states called such examinations and 41 states participated; in 1938, 34 states called examina-

tions in which 37 states participated. Massachusetts, Maine, Rhode Island, Vermont have neither called a convention examination nor furnished an examiner to participate in one, Mr. Read reported.

Mr. Read's report contains no reference to the attitude of the New York department which had refused to participate fully in the zone plan. However, in the supplement to the report giving information on convention examinations called in 1938, under the heading "New York" is listed these companies:

Companies Examined

Guardian Life with Alabama participating; Security Mutual Life of Birmingham with Pennsylvania and Louisiana participating; Export with Texas participating; Glens Falls and Glens Falls Indemnity with Louisiana and West Virginia participating; United States Life with Pennsylvania participating, and Equitable Society with zones 2-6 inclusive participating.

Illinois leads in each year and in the total for the three-year period in the number of convention examinations called, Mr. Read reported. "This in itself is an endorsement of the convention form of examination," Mr. Read stated, "for it is a widely known and well established fact that Illinois has done more during the past three years in

cleaning house in its insurance affairs than has any other state."

Controversies have been reduced to a minimum, Mr. Read contended.

J. H. Smith Now Sues for Million

NASHVILLE—J. H. Smith of Nashville, former general agent of Massachusetts Mutual Life, who for several years has been venting his spleen at that company in one way and another, has now brought suit for \$1,000,000 damages in circuit court at Nashville against the company and nine persons connected with it. He is 78 years of age. He claims to have been damaged by being ousted from the general agency position. Smith for some time was circulating material of a hostile nature concerning Massachusetts Mutual. In 1937, Massachusetts Mutual brought suit against Smith in the federal court in Tampa, Fla., to enjoin him from circulating these reports. In January of this year Smith was indicted in criminal court at Nashville for libel. Two days before the case was set for hearing, Massachusetts Mutual dismissed it. The Florida case was also dismissed.

Hollis Willis, San Angelo, Tex., Fidelity Union Life manager, is a candidate for city commissioner.

Savings Banks Vote for Central Plan

Large Majority in New York Favor Association to Issue Policies

NEW YORK—Issuance of savings bank life insurance through a central insurance association, rather than the present plan, effective Jan. 1, 1939, of letting each bank write insurance individually, was favored by a vote of 75 out of the 105 New York state savings banks represented at the meeting this week of the Savings Bank Association of the State of New York. There are 134 savings banks in the state.

The 75 banks voted additional legislation should be sought to permit the central association plan as an alternative to issuance of insurance by individual banks. Twenty-three banks voted additional legislation should not be sought and seven banks did not vote. Twenty banks reported their boards already had agreed to support a "central" type of operation and officers of 28 other banks said they would recommend participation in such a plan.

Only Minor Opposition

Eleven banks went on record as opposed to participating under a central plan and 24 banks indicated they would not participate, at least for the present. Nineteen banks expressed no opinion.

The central insurance company plan is in opposition to the wishes of Governor Lehman and Assemblyman R. Foster Piper, chairman of the assembly insurance committee.

Lay Cornerstone of Hopf Institute Building in N. Y.

NEW YORK—Laying of the cornerstone of the Hopf Institute of Management building at Ossining, N. Y., marked a further step in the progress of a unique organization which will be the first to be devoted to the cause of science in management. Harry Arthur Hopf is an internationally recognized management engineer and has been retained by a number of life companies for consultations on management problems. He devoted a large share of his time to the complex problems involved in getting the administration of federal social security on a sound basis.

The cornerstone laying coincided with a meeting of the directors of the National Office Management Association held in the Hopf Institute building. Life insurance men attending included G. D. Wood, assistant secretary Provident Mutual Life; John Crawford, supervisor office equipment and services Sun Life of Canada, and E. H. Conarroe, policyholders service bureau, Metropolitan Life. More than 50 persons attended the ceremonies. One of the principal speakers was T. Guy Woolford, chairman of the board Retail Credit Company.

Distinguished Boards

The institute's board of trustees and advisory board will include Mr. and Mrs. Hopf and other outstanding personalities in the field of management. Several have already accepted appointment. The institute will have correspondents in every major country. The object is to make the institute a world clearing house for management information. It is a membership corporation, incorporated in Delaware. Annual fees will be charged.

One of the first projects to be carried out is the continuation of Mr. Hopf's studies in the measurement of management in life insurance, which he has been carrying on for 10 years. It is expected that among the trustees and advisory board will be some who have been identified with management in the insurance field.

Look at Number 8...

We mean just that—"Unusually effective selling equipment." Experience proves that on the average one sale results from each seven presentations made.

WE OFFER:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular — Family — Juvenile—Women—Group—Payroll Savings, etc.
10. Low Monthly Premiums.

A \$220,000,000.00 Mutual Company, 58 years old with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY
Saint Paul, Minnesota



Savings Banks Life Plan Under Fire

Legislative Hearing in Boston Develops Charge of Incomplete Cost Reports

BOSTON—Sessions of a special legislative recess commission on a bill of the Massachusetts Life Underwriters Association to limit policies of savings bank life insurance to \$3000 per person, have been concluded. M. G. Summers, New England Mutual Life, and F. A. DeGroat, general agent Mutual Benefit, consumed most of the time the final day.

Mr. Summers held savings bank life insurance was trying to lay down a yardstick to measure all life insurance, but the yardstick was not honest because of subsidies given savings bank life insurance. Costs on the books are not real costs, he said. Up to 1915 all dividends paid by savings bank life insurance were paid by the state, balancing appropriations. Up to 1926, leaving out interest, the subsidies would exceed all surplus and reserves.

Many Expenses Ignored

If the system had met all these legitimate costs, said Mr. Summers, it would have carried the plan up to 1928 without accumulation of a dollar of surplus. Attention was called to many banks handling the insurance who had paid no rentals for many years, and then suddenly had begun to pay rent.

"I would be glad to pay \$50,000 for the privilege of maintaining an office in the state house, representing a private life insurance company," he said.

Mr. DeGroat taking four life companies of several states, and comparing them with savings bank life insurance brought out that over a term of years the economic gain of a life insurance dollar showed 117.6 in the legal reserve companies as compared with 117.2 in savings banks life insurance.

Much Damage Is Done

He said terrible damage was done old line companies by half truths told about savings bank insurance as regards its relation of surplus to reserves and that arguments against the long used American Experience mortality table were fallacious, because it was fair to all and did no harm to anyone. Differences which might exist on using the old table or the American Men table always would be offset eventually by dividends, he said. The old table justified itself during the influenza epidemic, he said, and its age was in its favor, if nothing else.

Mr. DeGroat produced letters from leading savings bank officials in Massachusetts expressing dissatisfaction with the handling of savings bank life insurance and declaring some of them would be glad to dissociate the banks from the system.

For many years, said Mr. DeGroat, the savings banks paid all expenses of carrying the savings bank life insurance plan and in 1932 only one of 11 banks charged up anything for salaries or rent.

Savings bank life insurance wishes to destroy the agent in the life insurance business and is against all agency companies, he said.

John Downs Appears

J. W. Downs, underwriters association counsel, said the agents' grievance was against trend of the system in the way of providing larger amounts of protection for individuals, the maximum of \$26,000 today being possible of increase to \$181,000 if all savings banks of the state went into the system. He declared it was not the insurance agents who contended for a limit of size of individual coverage in the New York law, but Superintendent Pink, himself.

Judd Dewey, deputy commissioner of

Reelected



CLYDE P. JOHNSON

Clyde P. Johnson, vice-president and general counsel Western & Southern Life, and president of the Association of Life Insurance Counsel, who was unable to be present at the annual meeting in New York, because of illness, was reelected. He is reported now to be recuperating in a satisfactory way. He has been connected with the Western & Southern in his present capacity since 1917. He was in private law practice following his graduation from Cornell and the University of Cincinnati. He succeeded his father, J. William Johnson, who was a director and general counsel of the Western & Southern from 1899 to 1917, at the time of his death. Clyde Johnson was an athlete in his undergraduate days, playing both football and baseball. He was captain of the college teams at both Cornell and the University of Cincinnati, and also played with the old Avondale baseball team at Cincinnati.

savings banks life insurance, said steps were under way to make the limit \$7,500 in the New York law before it went into effect Jan. 1. He explained that a change in radio broadcasts had been made so no reference was made to the state house. He said expense of broadcasts and other advertising was met by the Savings Bank Life Insurance League.

Alabama Governor Proposes to Merge State Departments

BIRMINGHAM, ALA. — Governor-elect Frank N. Dixon in a conference with legislators here proposed a reorganization of state departments estimated to save the state \$1,750,000 annually. Under this plan the insurance, banking, labor and unemployment compensation departments would be merged under one executive head, subject to approval of a constitutional amendment at the polls.

Just what effect this proposal will have on the appointment of a superintendent of insurance is not known at this time. Frank N. Julian, the incumbent, holds office until Oct. 1, 1939, unless removed earlier. Most governors, however, have made the appointment of the new superintendents coincide with their own terms of office. Should the reorganization plan be approved it would be a year probably before it would become effective.

H. D. Shaw Is Modest Man

H. D. Shaw of the agency department of Continental American Life comes forward modestly to ask a correction of a note that appeared in the report of the meeting of the Life Advertisers Association in Atlantic City. Mr. Shaw was

there credited with being the recipient of five certificates of award.

"I was not the recipient of any awards. The awards were made not to me or any other person. They were made to Continental American Life Insurance Company."

"I am not an official of Continental American, nor do I carry any title. I am one of the white-haired boys in the agency department. I am tickled to death when any of my work contributes to an effective result, or to the receiving of any marks of recognition; but the certificates we received, like all the others, were awarded to the company."

Life Men in Omaha Active

OMAHA—Thirty life men have just concluded ten days' participation in the community chest drive. The team made splendid records, this being the second year that it has accepted an entire division in the chest drive.

Captains include E. H. Jennings, Pru-

dential; H. T. Christensen, Travelers; S. B. Starrett, Guarantee Mutual Life; John A. Carr, Equitable; J. W. Maloney, Security Mutual Life, and Edwin Gould, Northwestern Mutual Life. The division was headed by Don Parker, agency director New York Life.

Honor C. W. Brandon

In honor of the 80th birthday of Channing W. Brandon, president emeritus, agents of the Columbus Mutual Life are enthusiastically taking part in a contest covering the last six weeks of 1938.

Mr. Brandon was born Dec. 11, 1858, at Marion, Ind. He entered the Insurance business in 1884 and was a successful field man and developer of agents. He established The Columbus Mutual 30 years ago.

Joseph I. O'Donnell, San Antonio, Tex., district agency manager for the Northwestern National Life, was married to Miss Guynella Poag.



P U Z Z L E D ?

Are you puzzled over your opportunities in the life insurance business? Are you considering a general agency contract?

If you are, here is your BIG OPPORTUNITY to become a full-fledged general agent under direct contract with one of the fastest growing, most successful life insurance companies in the East.

All we ask is that you show a personal paid for production of \$100,000 during the last year; feel that there isn't much chance of growing with

your present company and have family responsibilities.

Here is your chance to secure a liberal general agency contract with a company that knows how to help you build a profitable general agency. It's an opportunity to establish your own business; develop your own sales force; increase your earnings and become the head of a permanent business in your own community. If you are interested, don't delay writing Mr. William J. Sieger, Vice-President, for the complete details of this exceptional opportunity.

Right now there are several good openings in Pennsylvania; New Jersey; Rhode Island; Maryland and Delaware.

BANKERS NATIONAL LIFE INSURANCE COMPANY

Montclair



New Jersey

New York Managers in Gridiron Dinner

Sales Skits and Talking Picture Enliven Worthwhile Production Session

NEW YORK—Dignitaries of the life insurance world came in for some rough handling at the first gridiron dinner put on by the New York City Life Managers Association. Yet it was all done so cleverly that the victims' cries of anguish—if any—were drowned out in the general hilarity.

After presenting gavels to past presidents, Manager G. A. Eubank of the Prudential, association president, turned the meeting over to G. P. Shoemaker, general agent Provident Mutual, entertainment chairman, the first number being a talking picture in which a polar bear, trained seal, Great Dane and turkey gobbler spoke with voices of distinguished personalities in life insurance, to wit: J. S. Myrick, manager Mutual Life; Mr. Eubank; E. W. Allen, general agent New England Mutual, and R. H. Keffer, general agent Aetna Life. No one was more surprised than these four gentlemen. At the time the sound movie was being shot they had no idea how it was to be used, although they suspected something out of the ordinary.

Four Part Skit

Then followed a four part skit: (1) What the Life Presidents association thinks the general agents do—going to ball games and generally taking things easy; (2) what the general agents actually do—scene of extreme activity; (3) what the general agents think the Life Presidents association does—a group of aged and infirm gaffers, with one of their number always managing to obstruct the wheels of progress; (4) what the Life Presidents association actually does—same scene as number 3.

In the skit, "Mr. Holcombe Goes to Town," Manager Harold Taylor of the Mutual Life of New York took the general manager of the Life Insurance Sales Research Bureau for quite a ride, assisted by a gigantic chart covered with symbols which appeared to mean precisely nothing until interpreted by Mr. Holcombe's—that is Mr. Taylor's—persuasive logic.

Tell How to Twist

Four practical methods of twisting business were explained in a musical skit entitled, "I Dropped It." Another skit dealing with sales problems was "Keep the Changes." This showed an agent in October, 1938, making a sale based on approaching changes in settlement options. Then the scene shifted to January, 1939, with the agent making a sale of the new World's Fair policy with the trylon-and-perisphere symbol in the policy where the settlement options used to be.

"A Star Is Born" purported to be a future board of directors' meeting at the New York Life, the question at issue being whether the new ex-President of the United States, Franklin D. Roosevelt, should be elected to the board of directors. After much debate it was finally decided to elect him a major director, whereupon Mr. Roosevelt came on the scene and in an eloquent speech said he was proud and happy to accept the position of chairman of the board. The stars of this skit were Manuel Camps, John Hancock, as "Al" Smith; Timothy Foley, general agent State Mutual, as Roosevelt and F. S. Goldstand as Herbert Hoover.

Sam Davis Razzed

"A Typical Week in the Sam Davis Agency" satirized the fact that Mr. Davis's agency is made up almost entirely of college alumni. Another skit dealt with the change in recruiting methods during the last 10 years in humorous fashion.

Approximately 400 guests were pres-

Functions at Rally of Insurance Teachers



G. E. LACKEY

At the annual meeting of the American Association of University Teachers of Insurance in Detroit, Dec. 28, George E. Lackey will serve as chairman of the discussion section in the afternoon. Mr. Lackey is general agent for Massachusetts Mutual and is a past president of the National Association of Life Underwriters.

Florida Commissioner Is Honored on 75th Birthday

TALLAHASSEE — Florida's insurance fraternity paid tribute to Commissioner W. V. Knott on his 75th birthday at a testimonial dinner at Wakulla Springs Lodge, near Tallahassee. He has been head of the state's insurance department for 10 years and state treasurer for 19 years.

W. F. Dunbar, Atlanta, retired manager of the Southeastern Underwriters Association and a life-long friend of Mr. Knott, described the pleasant relations of his organization with the Florida department, and particularly with Commissioner Knott.

Organization Speakers

A. LeRoy Johnson, Jacksonville, president Florida Association of Life Underwriters, and T. D. Lippitt, Jacksonville, president Florida Field Conference, spoke for their organizations.

O. Mitchell Stallings, Tampa, president Florida Insurance Agents Association, told of the harmony existing between the state association and the department. He said Mr. Knott's firmness in handling controversial matters is respected over the state.

Hunter Brown, Pensacola agent, was toastmaster and presented Mr. Knott an easy chair, a gift from those in attendance.

Insurance representatives were present from Atlanta, Pensacola, Tallahassee, Lake City, Jacksonville, Gainesville, Orlando, Tampa, Ocala, St. Petersburg and Miami.

Philadelphians Sign Parkinson

Thomas I. Parkinson, president of Equitable Society, will be the principal speaker at the annual banquet of the Insurance Society of Philadelphia Feb. 20. E. E. Lindner is general chairman of the event.

ent, including many of the presidents and senior executives of prominent life companies. The dinner meeting was marked by an absence of speeches, the only feature beside the gridiron entertainment being the presentation of gavels by President Eubank.

Ohio Handbook Is Being Distributed

Much Valuable Material Is Found in This State Directory

This week the Underwriters Handbook of Ohio has come from the press of THE NATIONAL UNDERWRITER. It contains 872 pages of valuable and interesting data on Ohio insurance-wise and is the 44th edition.

In mobilizing the agency data this year the compilers secured from the insurance department 81,977 licenses which compares with 80,103 in 1937. The most important changes are in the ranks of the stock casualty agents which had 17,231 licenses this year as compared with 16,265 last year and the number of solicitors dropped sharply to 4,294 from 6,036 last year.

The Ohio Handbook gives the list of agents alphabetically by towns and shows the companies they represent, members of the agency, date established, other business transacted, if any, and other pertinent data. This covers life agents as well as fire and casualty, stock, mutual and reciprocal.

Much Information Given

Besides the agency data there is a vast amount of other information of interest to those doing business in the state. The companies licensed to operate in the state are listed together with their officers, financial statements, addresses and field men and general agents. Life insurance paid for and in force for six years is shown.

Miscellaneous data is also given showing the insurance organizations in the state, lists of insurance attorneys and adjusters, a resume of the insurance laws of the state and a showing of the special lines written by the companies.

This edition is appearing about one month earlier this year than last although still several months later than in the past when the licenses were available sooner at the insurance department. This month's gain in delivery has been occasioned by the speeding up of the copying process at the insurance department allowing the publication office to receive the licenses a few weeks earlier.

The Ohio Handbook is the recognized reference book on insurance in the state and is very valuable to agents, field men and companies alike. It is the largest of the various Underwriters Handbooks published by THE NATIONAL UNDERWRITER and is a tremendous compilation task to prepare.

Win A. & H. Poster Prize

The \$100 cash award for the best idea of a poster design for 1939 Accident & Health Insurance Week was won by J. W. Saylor and J. R. Morris of the publicity and sales promotion department of the Business Men's Assurance.

Berkshire Life Sets New Records in Boosters' Drive

The Berkshire Boosters' Campaign, sponsored by the Berkshire Life's field force from Oct. 17 to Nov. 30th under the chairmanship of S. Samuel Wolfson, general agent of New York City, produced record breaking results. November was the largest new business paid-for month since November, 1929. The number of paid cases reached an all-time high. The number of individual active producers participating in the campaign exceeded all previous records. Agencies smashed their quota records to the tune of from 102 percent to 764 percent attainment. The total amount of paid-for business during the last three days of November exceeded all previous three-day records.

Plan Prospecting Drive and Special Effort in January

From the public's standpoint, there is little reason for anticipating a slump in life sales in January because of campaigns to take advantage of the option changes in the last quarter of the year. However, alert general agents are taking precautions against agents feeling that there is no use going after the business and are making plans to start the year off with special campaigns for new prospects. If an agent has been aggressive in calling on all his policyholders and prospects before the change, he will need new prospects to call upon at the first of the year. By placing special effort on prospecting and package sales to new people, the possible effect on the agent due to the let-down in sales can be minimized. By pushing the package sales, such as additional and cleanup policies the agent will be encouraged to see new people.

Although there has been extensive publicity and activity in the insurance field itself about the changes, the average prospect will not be disturbed by the revision and will not hesitate to buy if the proposition is well presented.

"Buy now" proposals were presented with all the advantages stressed and the effect in many cases was over-emphasized. There is a great deal of elasticity in presenting cost comparisons, as every life man knows, so that he can easily turn around and place the stress in the other direction if necessary. However, if the agent doesn't mention the change, ten to one the prospect won't.

Metropolitan Lets Contract for Two Fair Exhibits

NEW YORK—The Metropolitan Life has let contracts for construction of its two exhibits at the New York and San Francisco World's Fairs. The New York exhibit will be located in the business Systems & Insurance Building, while the one at the Golden Gate International Exposition will be in the Hall of Science.

Both exhibits will illustrate how the company does its part in providing for the security and in promoting the health and safety of the people.

Using all the devices known to the modern designer—light, color, three-dimensional forms and artistic decorations—the exhibits will tell in considerable detail how the Metropolitan makes its variety of services available to its 29,000,000 policyholders.

Cowan & Dengler Now Handle Berkshire Life

Berkshire Life announces that on and after Jan. 1, their advertising will be handled by Cowan & Dengler of New York. Raymond D. Parker who has had many years of insurance training is account executive and will handle all details. This is a radical change for Berkshire Life and the results of the new campaign will be watched with interest. They have adopted the public relations theme and each advertisement will be a tribute to one particular part of their organization. Berkshire has long been noted for the excellence of its direct mail literature and its house organ, "The Berkshire Sun", and now is taking steps to place its trade paper advertising on the same plane.

Connecticut Mutual Iowa Rally

DES MOINES.—More than 30 agents of Connecticut Mutual held a state wide meeting in Des Moines. Claude Fisher, general agent, was in charge.

Jay F. Rose, special agent in the Madison, Wis., agency of the Bankers Life of Iowa, was honored at a luncheon marking 10 years of service.

Real Estate Report Sets Off Fireworks in Des Moines

Commissioners Adopt Bowen's Scheme After Sharp Clash Occurs

DES MOINES—Bowen of Ohio reported for the committee on standardization of real estate appraisals and appraisal forms applying particularly to life companies at the meeting of the National Association of Insurance Commissioners. The report brought out some fireworks.

Daniel of Texas said the whole motive was to throw appraisers business to the American Institute of Real Estate Appraisers. He also wanted the committee discharged. He said it is a dangerous document and procedure.

Bowen immediately declared there was no intention of creating business for real estate appraisers that belong to the institute.

Smrha of Nebraska stated the question is troublesome and important. Daniel's motion to receive the report and discharge the committee was lost. The motion prevailed to adopt the report.

Sales Under Mortgages O. K.

1. The purchase of real estate for purposes other than the use for transaction of the insurer's business in home or branch offices is not recommended and investments in such real estate not be admitted as an asset of the insurer. This is not to exclude real estate purchased at sales under mortgages, on any legal process in connection with its investments, under decrees obtained or made for such debts, or which have been conveyed in satisfaction of debts or which it may receive in or account of an exchange for real estate acquired.

2. It is recommended that real estate of a life insurer, not required for purposes of transaction of the insurer's business in home or branch offices, should be sold and disposed of within five years after title has been acquired unless the insurer submits a reappraisal of the real estate and procures the certificate from the supervising official and its interests shall suffer materially by a forced sale thereof, in which event the time for sale may be extended to such time as the supervising official shall direct in such certificate. Failure to dispose of the real estate within the five years, or such extension period as may be granted will render such real estate as non-admitted in the assets.

Sixty Percent of Value

3. It is recommended that mortgage loans be limited to 60 percent of the appraised value of the real estate, providing, however, that the foregoing limitation does not apply to loans insured by the Federal Housing Administration.

The recent experience of banks and trust companies proves that few foreclosures will occur where the mortgages do not exceed 60 percent of a conservative appraisal and are amortized not less than 4 percent a year.

Commissioner Carpenter's report shows the following variance of practice among the states as to percentage of loan to appraisal: 12 states, 50 percent; 4 states, 60 percent; 5 states, 66 2/3 percent; 1 state, 70 percent; 2 states—life and fraternal, 50 percent; 1 state—life and fraternal, 60 percent; 1 state—domestic life, 50 percent; 1 state, no limit. It is therefore recommended that

a uniform limit of 60 percent be established so that all insurers will be on the same basis.

4 Recovery of capital must be maintained in all investments, in real estate as well as in bonds. The annual amortization should be large enough to provide a partial return of this capital and also overcome loss of physical value of the property from depreciation and obsolescence. Not only is the investor protected but the borrower is benefited through increasing equity and lower interest charges.

5. No mortgage loan shall be made until the real estate has been appraised by the insurer.

6. No mortgage loan shall be made on vacant or unimproved property.

In the final analysis, income is the determining factor in establishing the market value of real estate. Income is the source from which interest and amortization is paid.

Can't Capitalize Expenses

7. The cost of taxes, general repairs and maintenance of real estate shall not be capitalized or be admitted into the assets of the insurer. Additions or alterations to the property that may enhance the value by virtue of increased income, sale value, desirability or improvement of the real estate shall be recognized and the cost be admitted into the assets of the insurer.

Taxes, general repairs and maintenance are operating costs. Periodic replacements and items of delayed maintenance are also operating costs.

Depreciation and obsolescence occurs in all property and the replacement of old material with like new material does not create additional value that can be capitalized. Replacement with a more costly and salable material or installation of added facilities and conveniences creates added value that can be capitalized.

8. It is recommended that each state

employ, when and as necessary, a qualified real estate appraiser or expert to advise in relation to real estate matters.

The committee recommended eight qualifications for appraisals.

Occidental Life Changes

John Gilstrap of Davenport, division manager of Occidental Life of Los Angeles working with Vice-president L. J. Dougherty is being transferred to the agency department at the head office. Joseph DeMoe, field supervisor in the Chicago department, succeeds Mr. Gilstrap at Davenport.

Gauss to Remain Indefinitely

LANSING, MICH.—With the return of Governor-elect Fitzgerald from Florida it was revealed that he will in all likelihood retain Commissioner Gauss for some time. Fitzgerald said Mr. Gauss is one of several department heads whom he expects to keep on the job in-

definitely. Fitzgerald said he realized he had made a mistake in some instances when he began his previous term as governor in replacing important department heads immediately after his accession to office and that this year he intends to make patronage distinctly a secondary consideration.

Ask Receiver for Better Way

LITTLE ROCK.—The Better Way Life, declared insolvent in July by Commissioner Harrison has been asked to show cause why its business should not be closed in a suit filed by Attorney-General Holt for the commissioner in third division circuit court here. This is a stipulated premium company formed here in 1937 and authorized to write straight life and endowment at age 65. The company has failed to make up a deficit reported by the department. The petition asks that receiver be appointed if the company is found insolvent.



HALF AN UMBRELLA

There's just as much logic in trying to protect a family with inadequate insurance on the provider's life as there would be in expecting to keep dry with such a rain shedder.

No good merchant would try to sell half-umbrellas. Life insurance salesmen should try to avoid selling half-protection.

Study your prospect's needs.



The Prudential
Insurance Company of America
Home Office, NEWARK, N. J.

NEWS OF WEEK

Mid-year meeting of the National Association of Insurance Commissioners is held in Des Moines. **Page 1**

G. S. Van Schaick, in addressing Des Moines meeting of National Association of Insurance Commissioners, warns of danger in efforts of association to control and unify the making of company examinations. **Page 1**

Examination issue was a live one at meeting of National Association of Insurance Commissioners. **Page 1**

Sharp clash occurs in Des Moines over report on standardization of real estate appraisals. **Page 9**

Gridiron dinner held by New York managers, with interesting sales skits and talking movie. **Page 8**

Stewart M. La Mont to retire Dec. 31 as Metropolitan Life third vice-president after 50 years' distinguished record in A. & H. field. **Page 11**

Large majority of New York savings banks at meeting of new association favor issuing life policies through central organization, rather than individually. **Page 6**

Incomplete cost comparisons charged against Massachusetts Savings banks life insurance plan at legislative hearing in Boston. **Page 7**

Annual meeting of National Fraternal Congress will be held in Detroit in August. **Page 11**

Chicago Association of Life Underwriters holds golden jubilee dinner dance with 1,100 present. **Page 3**

Metropolitan Life advises policyholders not to deal with outsiders in securing any equities due them under their contracts. **Page 1**

Companies appoint committee to study public relations. **Page 1**

Stabilizing agents' incomes is most vital issue, says Holgar Johnson. **Page 2**

Berkshire Life announces many policy changes along various lines, effective Jan. 1. **Page 18**

Chicago Agencies in Joint Convention

A full day of practical selling ideas was given by members of the Samuel Heifetz and John R. Hastie agencies of the Mutual Life of New York meeting at a joint sales convention in Chicago this week at the Blackstone Hotel. All voiced an optimistic outlook for 1939.

C. J. Thim, agency organizer of the Hastie agency, was chairman of the morning session. Roll was called by F. C. Kann, Hastie agency, convention secretary, being followed by Manager Hastie who extended welcome. Among the speakers with their topics were: Hastie agency—J. S. Hexton, "Action"; G. A. Eddy, "What It Takes to Sell Life Insurance"; P. S. Moon, "Capitalizing Contracts"; and L. L. Selig, "Why Membership in our National Field Club Proves Profitable"; Heifetz agency—H. C. Marks, "Prospecting Plan for the Month of December"; C. N. Cook, "Why I Represent the Mutual Life," and S. R. Cooper, "Using Endless Chain Method of Securing Prospects."

Afternoon Program

Following a luncheon D. O. McLeran, agency organizer of the Heifetz agency, was chairman of the afternoon session. Speakers with their topics included: Heifetz agency—T. D. Harvey, "Simplified Selling"; M. H. Cazal, "Viewpoint of New Men in Life Insurance Business"; D. S. Ehrlich, "Increasing Your Number of Contacts," and W. F. Dineen, "Business Insurance as I See It in 1939"; Hastie agency—E. J. Krug, "The Mutual Life's 'Juvenile Policy'"; M. H. Andrews, Jr., "Young Men as a Market," and R. A. Graham, "Women—A Big Market." Manager Heifetz gave the closing remarks.

Speakers at both sessions were chosen to discuss subjects with which they

were particularly adept. The youngest speaker at the convention was Mr. Andrews who became an agent a year ago at the age of 20.

Life insurance men suffer perhaps more than any other group from the three harmful elements, fear, self-pity and cynicism, Rabbi Morton M. Berman of Chicago declared in an inspirational address at the banquet. Nothing so paralyzes a man in what he is doing as fear, Rabbi Berman said. Self-pity often leads to a persecution complex. Cynicism has grown tremendously in recent years.

Rabbi Berman said the great trouble in all the countries today is that the people want happiness doled out to them. In many places they are willing to surrender individual freedom, initiative and responsibility for a promise of security. In America, he said, the people must insist on their right to pursue their happiness as free individuals.

Mr. Heifetz was toastmaster, introducing Warren J. Stinson, home office inspector, and W. G. Warren, agency inspector in charge of the Chicago clearing house; Dr. P. C. Waldo, Mutual Life medical referee at Chicago, and a number of agents who qualified for the field club. Manager Hastie gave a closing message. Alice Blue, pianist, and Edna O'Dell, vocalist, of radio station WGN, and a magician entertained.

Shugg Agency Is Well Ahead

ST. LOUIS—The A. P. Shugg agency of the Aetna Life of Hartford, Conn., in St. Louis staged an unusual contest entitled "Bring Home the Groceries" during a six weeks period. Weekly messages were sent to the agents in their homes. Assortments of groceries varying from 15 to 55 pieces were offered as prizes. Ten winners received 12 prizes for a total of 600 pounds of foods.

During November the Shugg agency showed an increase in paid life business of 33 percent over October and also over November, 1937.

U. S. High Court Validates Pacific Mutual Plan

WASHINGTON — Selective provisions of the plan prepared by S. L. Carpenter, Jr., then California commissioner, for reorganization of Pacific Mutual Life, give policyholders adequate protection, it was held by the U. S. Supreme Court affirming a decision of the California supreme court.

The opinion held that the policyholders who sought to have the reorganization set aside had not proven that they will receive less in liquidation of their claims under the provisions of the plan than they would upon a sale of assets and distribution of the proceeds.

Matters of State Law

The opinion pointed out that the lower court's holdings with respect to the authority of the commissioner to delegate his powers and duties to a corporation organized by him, to enter into a contract for assumption of the insolvent company's policies by a new company, and with respect to the validity of his action under state statutes "concern matters of state law and amount at most to alleged erroneous constructions of the state's statutes by its own court of last resort," which decisions would not be a denial of the due process guaranteed by the fourteenth amendment.

However, the claim that the method of liquidation, even if authorized by the insurance code, denies petitioners due process and impairs the obligation of their policy contracts is a matter for Supreme Court consideration, the opinion said.

"One of the petitioners holds a life policy which, if he assents to the plan, will be replaced by a policy of the new company for the same amount," he explained. "The others are holders of non-cancellable health and accident policies no liability under which has accrued. If they assent to the plan and accept the obligation of the new company, in lieu of that of the old, they will receive insurance for only a percentage of the face value of their old policies. The alternative open to all is to dissent from the plan and to prove their claims for breach of their policy contracts against the liquidator of the old company. They insist this opinion is not available to them as no liquidator has been appointed. When they took their appeal to the state supreme court, there was pending an application for the appointment of the commissioner as liquidator, and no reason is assigned why action cannot be taken upon this petition pursuant to the plan."

"It is not contended that a statutory scheme for the liquidation of an insolvent domestic corporation is per se an impairment of the obligation of the company's contracts," the opinion concluded. "The argument is that the impairment of contract arises from the less favorable terms and conditions of the new noncancellable policies which are to be substituted for the old ones and, in the case of the life policies, by the substitution of a new company as contractor in place of the old, without the consent of the policyholder. This position is bottomed upon the theory that the policyholders are compelled to accept the new company as insurer on the terms set out in the rehabilitation agreement. As has been pointed out they are not so compelled but are given the option of a liquidation which on this record appears as favorable to them as that which would result from the sale of the assets and pro rate distribution in solution of all resulting claims for breach of outstanding policies."

STATEMENTS BY KEMP AND CALL

LOS ANGELES—The decision of the Supreme Court was received here by long distance phone immediately it was handed down.

President A. N. Kemp issued this statement:

"The action of the United States Su-

preme Court today in confirming the position of the new Pacific Mutual Life is of course most gratifying. None of us, however, has wavered in the conviction of the justice of our cause and we know that once more right has prevailed. Since July 22, 1936, this company has been moving along conservatively and progressively and this last endorsement by the highest tribunal of the land confirms the company's position as one of our outstanding institutions."

Executive Vice-president Asa V. Call later dictated this statement:

"The final approval of the highest court of the United States has been placed upon the plan of reorganization of the Pacific Mutual Life Insurance Company. Strange enough, almost two years to the day before the Supreme Court of the United States handed down its decision, Judge Willis of the superior court of Los Angeles county approved the plan of reorganization. Almost a year later to the day, the California supreme court unanimously approved the decision and now the seal of approval has been placed upon the plan. As the Supreme Court of the United States said in its decision, quoting from Judge Willis' decision: 'The plan is fair and equitable and does not discriminate illegally and unfairly against any class of policyholders and does justice to all concerned.' This decision not only affirms all that has been done in the Pacific Mutual reorganization, but upholds the constitutionality of state legislation designed to protect policyholders. So far as the Pacific Mutual is concerned it has made remarkable progress and has fully demonstrated the wisdom that lay behind it. This company, when its troubles first began, had \$218,000,000 of assets; today its assets have increased to \$229,000,000. Its sales organization has demonstrated a loyalty, a persistence and results that are unequalled in any similar situation in this country. The policyholders have been justified in their confidence that their policy contracts will be completely fulfilled. With this last legal hurdle cleared, the Pacific Mutual will continue to go forward as one of the great insurance companies of this country and the leader of the West."

COURT APPROVES COMPROMISE

LOS ANGELES—Superior Judge Willis has granted the petition of Commissioner Goodcell permitting him to effect a compromise settlement of \$158,700 in the action that was instituted by S. L. Carpenter, Jr., against 25 former officers and directors of the old Pacific Mutual Life. Mr. Carpenter preceded Mr. Goodcell in office.

SUPERVISORS' PANEL PROGRAM

The panel discussion which the Life Supervisors Association of New York is presenting on recruiting, analyzed by W. C. Smerling, Berkshire, will include:

A. Planning for Men

Lester Einstein, Mutual Benefit; Eric Wilson, Penn Mutual.

B. Selection from Those Interviewed

Eric Wilson; Paul Orr, Guardian Life; Lewis Neikrug, Continental American.

C. Recruiting Through Employment Agencies or Vocational Guides

Paul Orr, Eric Wilson.

D. Through Center of Influence

Ben Salinger, Mutual Benefit; Carl Smith, Connecticut Mutual.

E. Through Present Organization

Ben Salinger, Eric Wilson.

F. Selection

Lester Einstein, Lewis Neikrug.

Publicity for the affair is being handled by Aaron Press of the Prudential, and E. J. Phelps of the Canada Life. Chairman of the evening program committee is Carl Smith, Connecticut Mutual.

Pastore Takes Larger Quarters

Umberto Pastore of Scranton, Pa., has just completed his first year as general agent for Bankers National Life. He has set a good pace and he has moved into larger quarters in the Connell building.

The PERFECT CIRCLE of INSURANCE SERVICES

LIFE INSURANCE
ACCIDENT and HEALTH
SALARY ALLOTMENT
DISABILITY INCOME
JUVENILE
GROUP LIFE and A & H
ANNUITIES
TRIPLE INDEMNITY
INVESTMENT BONDS
HOSPITAL INSURANCE

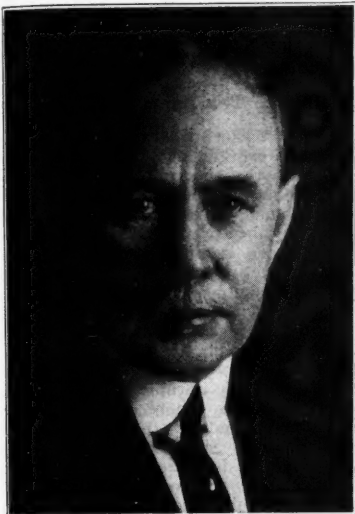
California Western States Life Insurance Company

HOME OFFICE... SACRAMENTO

La Mont to Retire on 50th Anniversary

Half Century of Service in A. & H. Field to Wind Up Dec. 31

NEW YORK—Retirement of Stewart M. LaMont Dec. 31 as third vice-president of the Metropolitan Life will close an active career in accident and health insurance which will have covered exactly 50 years on that date. He is one



STEWART M. LAMONT

of the best known personalities in the accident and health field and is widely recognized as an expert on court decisions involving A. & H. contracts.

The Metropolitan Life writes more accident and health business than any other company and Mr. LaMont started the department from scratch in 1921. It was he who introduced participating accident insurance. Many of the changes effected by the Metropolitan had a widespread effect on the accident and health business as a whole.

Sees Bright Future

On the eve of relinquishing active control of the accident and health department, Mr. LaMont is fully confident of the increasingly important role that is in store for this type of business. He believes that as soon as general business conditions are more stabilized there will be many more buyers of accident and health coverage. During his 50 years in the accident business Mr. LaMont has seen marked changes in the way of doing business. In the old days competition was ruthless and almost entirely without ethics, as many other types of business were also. It was the usual thing for company executives to hate each other, not only as competitors, but personally as well. It was routine tactics for companies to get out scurrilous literature reflecting in every conceivable fashion on competitors.

The slogan of the accident and health business in those days was in effect, "Get the business—honestly if you can, but get it!" While this destructive type of competition was colorful and livened things up, it went to such lengths that it was obviously poor business and since that time the business has been progressing to its present high plane.

Gave Views at Dinner

At the time of the testimonial dinner which the Accident and Health Club of New York gave in his honor last year, Mr. LaMont gave some of his views on his field of business. Said he at that time:

"I have seen accident and health insurance grow out of its swaddling clothes and into its present position of importance and public esteem. I have

Meeting Option Changes with Automatic Term

The peculiarities of automatic term, those term policies which provide for automatic conversion to whole life at the end of the term period, make this type of contract appealing under present conditions. Here is a low premium policy for such time as may be selected, followed by permanent insurance with all of the provisions of both contracts contained in one policy. Thus the insured has all of the benefits of a permanent form of insurance issued today even though the actual contract does not begin for some years.

For the man who cannot afford to pay for ordinary life at present, this contract may be presented as an option on present settlement provisions. Regular term policies will give the insured the benefit of present settlement options if he converts his policy back to the original date of issue but any other conversion allows him only the contracts which are being written at the time of the conversion. This automatic term carries right in the policy the present settlement options, present schedule of nonforfeiture values for the contract to which the term will be converted, and all other current policy provisions so that his conversion, either as of the original date or as of the expiration date of the term portion gives him these benefits.

In those cases where the Christmas season is likely to so much of a financial drain that even this form of term contract cannot be handled at present, there is the possibility of presenting an option on an option. This means that the automatic term policy can be issued with a month or two of preliminary term preceding it so that a very small down payment right now will bind the deal and the first annual premium on the regular term policy will not have to be paid until after the first of the year. Thus, a small payment at present gives

visions so that his conversion, either as of the original date or as of the expiration date of the term portion gives him these benefits.

seen its practice become more sound and scientific and its methods lifted continuously to ever higher levels—levels that we are proud of today.

"For these reasons I am proud that I have devoted my life to it, proud if I have in some small way contributed to its progress, proud at least to be able to say 'all of which I saw, part of which I was.'"

"Accident and health has come through much in 50 years. Beginning with no guides or data, for long necessarily conducted by men of little or no experience in it, often facing the unknown and seemingly the unknowable, its course was long one of experimentation, trial and error, correction and trying some more."

Mr. LaMont pointed out that while the business was criticized for so many experiments, these experiments nevertheless did develop experience, results came to be studied, underwriting ability accumulated and even if it were to be said that there is still some experimenting, it is intelligently done, guided and controlled and as carefully as in any other field of insurance.

Mr. LaMont was born on Christmas day, 1868, at Hudson, N. Y. After completing the course in the Hudson high school, he worked for a year in his father's barrel manufacturing plant in Hudson. He then joined a hardware company as bookkeeper in New York City. Soon he took up insurance with the Traders & Travellers Accident, which afterwards became the Interstate Casualty.

In 1898, the Interstate consolidated with the Pacific Mutual Life and he remained with that company until 1901 as eastern claims manager, when he joined a former officer of the Interstate in an exporting and importing venture. He left this business to organize and manage the accident department of the Metropolitan Casualty of New York City in 1904. From there he went to Philadelphia in 1920 as assistant secretary of the Indemnity of North America to organize its accident department.

In July, 1921, he became assistant secretary Metropolitan Life and organized the accident and health division. His success in this work caused his appointment as fourth vice-president, and later third vice-president.

His hobby is accident and health insurance. He has been a member of the board of the Bureau of Accident & Health Underwriters and chairman of the advisory committee of the Hooper-Holmes Bureau. He is a fellow of the Casualty Actuarial Society.

the insured an option on a term policy to be taken up in two or three months and this term policy is an option on an ordinary life policy with more liberal benefits than will be available in any other way at the expiration of the term plan.

Waiver of premium disability may be carried throughout the period of both policies for a premium based upon the present age of the insured and will not increase at the time of change from term to ordinary. Most companies writing automatic term allow the insured to select the form of contract to which his policy is to be converted at the end of the term period, not necessarily limiting it to ordinary life.

If the company will allow the issuance of one or two year automatic term to be followed by a retirement contract, the agent will be able to show a decided advantage in taking such insurance now because of the marked increases in premiums for retirement plans which will be made on the first of the year.



THE PROTECTED PAY ENVELOPE



The need for group hospitalization insurance is so urgent and the demand so widespread that the rule against issuing it without either group life or group accident and sickness insurance has been rescinded.

Modern medicine leans heavily on hospitalization for diagnosis as well as for care — yet it is much too costly for most people to pay for except through some cooperative plan.

Everywhere employees have shown their readiness to meet the cost of group hospitalization. Public interest in the subject is intense.

Where no group insurance exists it is an effectual opening wedge for other group lines. Wouldn't you like to talk with the group specialist in our local office?

Connecticut General Life Insurance Company

Hartford, Conn.

Warns of Efforts to Unify Control of Examinations

(CONTINUED FROM PAGE 1)

supervisory officials should force joint and unified control it will be found as in the case of general federal governmental affairs that such action would inevitably develop into federal control. It would seem that there can be no middle ground. No state can be expected to surrender any part of its sovereignty except to the federal government."

Deplores Political Necessities

Removal of the appointment of the insurance commissioner from the political arena and study of ways and means of extending the use of arbitration in the entire insurance field were advocated by Mr. Van Schaick in his address.

The commissionership, Mr. Van Schaick said, ranks in the same class as high judicial office and like the judiciary should be free from politics.

The effectiveness of the National Association of Insurance Commissioners is impaired, he pointed out, by the high mortality of its membership.

"The competent and incompetent alike," he declared, "biennially meet the scythe that produces havoc in the ranks of supervision." Since he resigned as New York superintendent on May 10, 1935, the insurance commissionership in at least 31 states has changed and re-changed, the speaker declared. "Now you are in the throes of another convulsion," he pointed out. No group of officials can carry full responsibility with highest efficiency in a specialized and technical field in the face of any such shifting process.

Opportunity for Career Men

"It is time," he declared, "for the appointing power in the states more thoroughly to realize and appreciate the importance of retaining competent experienced administrators and encouraging the career men in the department who are acting as deputies and understudies in the belief that they may not be compelled to always occupy subordinate positions but on the contrary the appointment to the commissionership will be open to all on the basis of fitness and merit alone."

In advocating the extension of the use of arbitration, Mr. Van Schaick observed that insurance supervisory officials have always watched adjustment practices of insurers with a critical eye. They desire claims paid fully and promptly without quibble or reliance on technicalities.

Financial instability and impending insolvency, he pointed out, is nearly always presaged by delay and technical evasion in the payment of obligations.

On the other hand, he said, companies have no business to dissipate company funds on worthless or ill-founded demands. Premium should not be placed on exaggeration. Fraud should not be encouraged. But when dispute is inevitable it must be recognized, he said, that the company has in litigation the advantage of endurance far in excess of the endurance of the usual policyholder.

Casualty Companies' Experience

Mr. Van Schaick pointed out that in 1934 a group of casualty companies agreed to submit certain run-of-the-mill personal injury cases to arbitration through the facilities of the American Arbitration Association. In a four-year period, 44 insurers submitted 6,851 cases. Of that number 3,767 have been adjudicated, 1,089 by awards of arbitrators and 2,678 through settlement after arbitration proceedings were instituted. In 2,739 cases the plaintiff refused to consent to arbitration. The problem, he said, has always been to obtain consent of the plaintiff. The percentage of consent is steadily rising, however.

He voiced the belief that this has been a wholesome experiment for policyholders and companies. It tends to simplify and make less costly machinery for rendering judicial decisions. The legal ex-

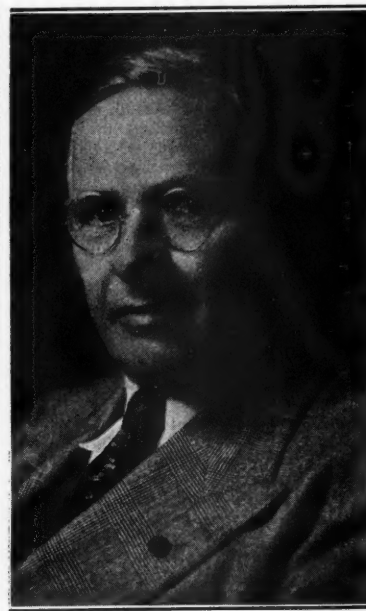
HONOR RELIABLE LIFE FOUNDER

President B. L. Tatman of the Reliable Life, St. Louis, is to be honored by the home office and field staff in December, the occasion being his 65th birthday and the 42nd anniversary of his entrance into life insurance.

Mr. Tatman was born in Connersville, Ind., in 1873 and received his schooling in DePauw University, Greencastle, Ind. He went to Colorado in 1896 as a precautionary health measure, and became a straight canvassing agent of the Prudential. After attaining second rank among all the agents in the field, he was successively promoted to assistant superintendent and superintendent.

In 1907, he was called into the home office in Newark as a division manager and later became a junior officer. Desiring to form a company of his own he resigned and with others organized the Reliable at St. Louis in 1912. He has been president of the company continuously since that time. Never concerned with mere "bigness," Mr. Tatman's management of the Reliable has always been toward the maintenance of a sound, steady, conservative growth, and this has been achieved.

His belief that life should be lived and enjoyed in a well-rounded manner has led him for the past 16 years into extensive annual travel trips in all parts of the world, Australia being the next objective. This in turn has led to his authorship of a book on Jerusalem and the Jews and to numerous speaking engagements as a world traveler. His hobbies are history, geology, archaeology and architecture. He takes much interest in Freemasonry, being first vice-president



B. L. TATMAN

of the Masonic Temple Association of St. Louis, past grand master of the Grand Council, and founder of the Masonic Museum. He is also president of the St. Louis Mid-Town Club, and president of the Capitol Town Mutual Fire.

Commissioners Vote for San Francisco for Annual Meeting

(CONTINUED FROM PAGE 1)

Another question arose where a FHA mortgage is foreclosed and the government issues a debenture to the mortgagee. It was voted to use the face value of the debenture.

Commissioner Julian of Alabama, president of the organization, was in fine form in handling the work. Mayor Conkling of Des Moines extended greetings. The response was made by Commissioner Ham of Wyoming. President Julian in his address stated that if competition and the profit motive were eliminated, all would be reduced to a common level. He urged the preservation of the American system of business enterprise.

G. S. Van Schaick, vice-president New York Life and former New York insurance superintendent, a man of signal ability, gave an outstanding address that left a profound impression. He deplored the shifting in the commissioners' offices due to politics, saying that these changes impair efficiency.

The banquet Tuesday evening brought out 600. A most delightful, unusual, colorful and successful vaudeville show was given.

Work with U. S. Investigation

Cooperation with the coming federal investigation of insurance companies, which will be part of the general federal investigation of monopolistic trade practices, was urged by L. H. Pink, New York, chairman executive committee, in his report. A special committee, consisting of Mr. Pink, President Julian, Secretary Read, Palmer, Illinois; Earle, Oregon; Neslen, Utah; Lovejoy, Maine; Robertson, Missouri, and Moor, District of Columbia, was appointed to work with the federal authorities. Mr. Pink's report also discussed the proposed uniform liquidation act, taxation and group life insurance.

The uniform liquidation statute has

been approved by the commissioners and by the American Bar Association, but so far, Mr. Pink reported, only New York, Illinois, Indiana, California, Vermont and Michigan have adopted it. This law vests title to the assets in the supervisory official of the state of the company's domicile and gives him control of the proceedings throughout the country. Mr. Pink pointed out that it is important to take steps to prevent loss and waste of policyholders' assets at a time when the problem is not urgent and when it can receive proper consideration so there will be adequate machinery at hand if the necessity of liquidating large companies arises again in the future. He urged the commissioners to take the matter up with their legislatures, stating that if there is no adequate response on the part of the states, the commissioners will have to give consideration to other possible remedies.

Reinsurance Tax Important

In the matter of taxation, Mr. Pink urged uniform legislation providing for a tax on the direct writing company, with deductions for dividends to policyholders and return premiums, but not for reinsurance premiums. This had previously been recommended at the Hot Springs meeting in December, 1936, and at the Philadelphia meeting in June, 1937, but it has taken on new importance because of the United States Supreme Court decision in the now famous Connecticut General case, in which it was held that a California tax on reinsurance premiums where the transaction was effected outside the state was unconstitutional. Since the majority of the states permit deduction of premiums on reinsurance ceded to authorized companies, Mr. Pink pointed out that this division will deprive these states of a substantial revenue and hence that revision of these laws is urgent.

Further study of group life insurance, with a view to authorizing its extension to plans other than yearly renewable term was also advocated by the executive committee. Mr. Pink pointed out that an extension of the group plan may be the most effective means of protecting assured who now find industrial insurance the only practical coverage. Practical and legal difficulties, especially as regards conversion privileges and employers' contributions, make careful consideration necessary.

T. C. Blaisdell, head of the SEC monopoly investigating commission so far as it applies to insurance, was asked to sit in at the sessions of the examinations committee so fruitful of discussion and charges. The point was made that he might have deduced that federal supervision would eliminate all such controversy.

Wednesday Morning Session

The Wednesday morning session was opened by some remarks by Goodell of California. He expressed his profound respect for the insurance business. No business in the country is in better hands than insurance, he added. He opposes "tinkering with the industry."

Yetka of Minnesota was called to the front to pay his respects. Blackall of Connecticut stated he had been pouring so much oil on the troubled waters of the convention that he was left with no unction. He referred to the final good feeling that prevailed.

President Julian appointed a special committee to confer with Pink of New York on any controversial examination subject; Harrison of Arkansas, Williams of Mississippi, Bowles of Virginia, Sullivan of Washington, Newbauer of Indiana.

Earle of Oregon filed information as to allocation of premiums for taxes where there is overlapping brought out in the Merkel & Martin investigation of taxes.

Newbauer of Indiana presented the memoirs of C. C. Wyson of his state, former president of the organization. Pew of Iowa withdrew his proposed amendment relating to examinations.

Moor of District of Columbia, for the group hospitalization committee, stated

Hunt of Pennsylvania would provide a copy of the law of the latter state on the subject which he regards as progressive. He will also give a summary of the problems and issues.

Governor Kraschel Spoke

Governor N. C. Kraschel of Iowa spoke Tuesday morning, having been caught in a storm at his home so he could not drive back in time for the opening session. He said Iowa possesses important insurance companies, capably managed. The people look to these offices for leadership. In solving engrossing problems of finance and business, he said, human relations must be considered. The responsibility of insurance people to the public must be recognized.

Iowa and the Mississippi Valley, he stated, have been largely built up with insurance funds. Farm loans in Iowa, he added, are regaining their position so proudly held years ago. The Iowa people desire to meet their obligations. If they are unable to do so, they will acknowledge it.

Commissioner Pew's Proposal

Commissioner Pew of Iowa brought up his proposed amendment to the by-laws referring to convention examinations. The chief change would be limitation of examining expense. The per diem fee would be \$15 with maximum allowance of \$7.50 for sustenance plus railroad fare. Examiners would have to be legal residents of the state they serve. Practicing consulting actuaries who can qualify under rules he proposed can be used and their fee is fixed at \$25 a day. This was referred to the committee on examinations.

Countersignature Resolution

Harrington of Massachusetts introduced a resolution referring to countersignature laws, which it says have already caused litigation and threaten to result in a chaotic condition through early enactment of retaliatory legislation by other states. These laws, the resolution declares, reduce taxable premiums of admitted companies by forcing much business to non-licensed carriers causing additional problems of administration. It is, therefore, asked that a committee of six be named, one from each zone, to consider promptly and determine whether an equitable uniform countersignature law can be drawn which may meet the approval of various interested parties and recommended for enactment by state legislatures.

The Des Moines committees functioned most successfully. All acknowledged this was a wonderful convention, the best attended of any midyear gathering.

Button Stricken in Des Moines

DES MOINES—Col. Joseph Button of Washington, D. C., manager Stock Company Association and former Virginia commissioner who has been attending the commissioners convention, suffered a severe attack in his room early Wednesday morning and was taken to the Methodist hospital. Whether an operation will be necessary remains to be seen. He presided over the Pamunkey ceremonial Monday evening with his usual spirit.

S. C. Pandolfo Is Expanding

S. C. Pandolfo is taking new offices at 314 West Gold Street, Albuquerque, N. M., where he will operate the Old Line Insurance Shares Corporation and the state agency of Bankers Union Life of Denver and Washington National of Evanston, Ill. Old Line Insurance Shares Corporation makes salary and automobile loans.

NOW SEASONED FOR GENERAL AGENCY WORK

Prefer locating in Detroit with one of the finer life Companies. Would consider territory in the Southeast, with a going Agency.
ADDRESS J-21, NATIONAL UNDERWRITER.

Views of Commissioners in Tall Corn Parley

Henry C. Schmidt, state comptroller of Nevada, who attended the commissioners' meeting at Des Moines, is ex-officio insurance commissioner, holding also some ten other state positions. He was reelected last month and so can look with complacency on the political field. His numerous public official titles are only excelled by the Hawaiian commissioner who holds some 15 offices.

Commissioner H. H. Earle of Oregon, flew out to Michigan, purchased a new Chrysler with all the latest gadgets, drove it to Des Moines and then to Salem, Ore. By this process, he saved \$196 freight.

E. J. McGivney, vice-president and general counsel Pan-American Life of New Orleans and former Louisiana commissioner, now attends these conventions quite regularly. He is accompanied by Mrs. McGivney.

Judge Byron K. Elliott, general counsel John Hancock Mutual Life, with the newness of being a benedict still about him, left his bride at her former home in St. Louis while he attended the Des Moines meeting.

Commissioner Goodcell of California, the newest man in the ranks, was buttressed by his predecessor, S. L. Carpenter, Jr., now manager Pacific Board of Fire Underwriters, and Assistant Secretary Frank Agnew of Fireman's Fund.

The potent and huge reception committee, headed by President A. H. Hoffman, American Mutual Life, divided itself into segments, some being assigned to the hotels other than the Fort Des Moines, where numerous conventioners were billeted. The committee was composed chiefly of officials of Iowa companies.

The committee on resolutions consisted of Bowles, Virginia; Neslen, Utah; Gough, New Jersey; Bakes, Idaho.

The committee to draft resolutions on the death of Judge C. S. Younger, president Cooperative Life of Columbus, and former Ohio superintendent, comprised Bowen, Ohio; Cochran, Colorado; Moor, District of Columbia.

G. S. Van Schalek attended his last meeting when the commissioners assembled in St. Petersburg, Fla., in 1934. Soon after that he left office. The Des Moines meeting was the first he attended since he retired to private life.

President Julian introduced to the convention T. C. Blaisdell of the SEC, and Raymond Daniel of Atlanta, executive secretary Industrial Insurers Conference. Mr. Daniel was eulogized for his previous work in the insurance trade press field.

Commissioner J. J. Holmes of Montana, sergeant-at-arms of the convention, was not present but wrote suggesting that S. L. Carpenter, Jr., former California commissioner, be appointed to the high office for this meeting. President Julian, accordingly threw about Mr. Carpenter the mantle of authority.

Commissioner Rex B. Goodcell of California was introduced, saying that he and his predecessor, S. L. Carpenter, Jr., were representing the Herpicide Club, both having shining domes.

Commissioner M. V. Pew of Iowa, host commissioner, sat on the rostrum during the sessions.

Known as the "Talley" who put "Talla" in Tallahassee, Deputy J. H. Talley of the Florida department, left a sick bed where he had been ill with influenza, flew by plane to Atlanta and made the trip by train to Des Moines to attend the meeting.

The "Underwriters Review" of Des Moines printed the roster and directory of the convention.

A precedent was established when two official pages were designated for the Des Moines meeting. They were Sam Boykin, grandson of President Julian,

and Tom Pew, son of Maurice V. Pew, Iowa commissioner.

The Industrial Insurers Conference was represented by President Frank P. Samford, president Liberty National Life of Birmingham, and Executive Secretary Raymond Daniel. Once a deputy commissioner in Alabama, Mr. Samford met many old friends and made new ones.

Rev. E. V. Kennan of St. Paul's Episcopal Church spoke the invocation.

There were 44 states and one Canadian province officially represented.

The Ohio board of emergency finally relented and provided funds with which Superintendent Bowen and Actuary Walter A. Robinson of Ohio could attend the annual convention. The board had previously turned down the request on grounds of economy.

Some 128 were initiated into the Pamunkey Tribe Monday night. Following the mystic ceremonies, there was a vaudeville show and buffet supper.

A committee was appointed to draw up resolutions on the death of C. C. Wysong of Indiana, former president. The committee consisted of Newbauer, Indiana; Harrison, Arkansas; Read, Oklahoma.

A. H. Hoffman, president American Mutual Life of Des Moines, chairman reception committee, gave a duck dinner

Tuesday noon to some friends. He was on the job every minute during the convention. Governor Kraschel was present at the dinner.

Alfred Fairbanks, president Central States Life of St. Louis, eight months in office, has materially strengthened its position. He is attending insurance conventions to get a broad viewpoint of the business.

The three benedicts, all supposedly confirmed bachelors who surprised the fraternity by wedding, were in conference at Des Moines, Judge B. K. Elliott, general counsel John Hancock Mutual; L. D. Cavanaugh, executive vice-president Federal Life; Thomas Watters, insurance attorney at Washington, D. C., formerly of Des Moines.

Vice-president A. E. Patterson, Penn Mutual, left for Chicago in time to be present at the anniversary dinner of the Chicago Life Underwriters Association.

Occidental Life of Los Angeles had a strong battery of talent at the convention—Executive Vice-president D. L. Clarke, Vice-president V. H. Jenkins, Secretary H. J. Brace, Vice-president L. J. Dougherty of Davenport, Division Manager John Gilstrap of Davenport, District Supervisor Conn W. Moose of Omaha.

President Frank N. Julian gave a talk before the Des Moines Life Underwriters Association Tuesday noon.

* . . . Frankly, I never thought I'd be writing to sing the praises of Accident Insurance—but I am because it has come to be one of the most profitable factors in our agency.

I honestly believe that a new man in our business can make money more quickly through Accident sales than anything else. And helping the new man get going is just about the most serious job we fellows have to do.

I'm sold on Accident Insurance both as a buyer and a seller. And, as you well know, it has been just about the most important factor in keeping our life insurance production up where we want it.

Cordially,

† Ed Lamb,

* From an actual letter written to the Home Office by
† E. E. Lamb—General Agent, Chicago.

This is one of a series of advertisements intended to show some of the reasons why COLUMBIAN NATIONAL LIFE fieldmen like their company.

EDITORIAL COMMENT

Working Along Definite Lines

HARRY T. WRIGHT, of Chicago, millionaire writer of the *EQUITABLE SOCIETY*, secretary NATIONAL ASSOCIATION OF LIFE UNDERWRITERS and a former Chicago president, who has been chairman of the *MILLION DOLLAR ROUND TABLE*, in prosecuting his work, perhaps relies as much as anything else on the systematic, disciplinary course that he follows. He does not work in a haphazard way. He keeps a record of all his calls every day so that he can look back and see the effect of his daily interviews because he has an actual record. He keeps naturally a reg-

ister of all the business that he delivers.

Furthermore, Mr. WRIGHT has a definite objective in seeing a prospect. He gets sufficient information about him prior to seeing him so that he can recommend some course with modifications that may come later as the interview progresses.

In other words, Mr. WRIGHT disciplines himself. He sees to it that he has a regular, continuing course that he follows. We can learn much from these large writers. Their methods can be adopted with profit.

Quoting Dividends in the Future

PRESIDENT J. A. FULTON of the HOME LIFE, in commenting on the fact that the company will continue its present dividend scale, made the observation that policy dividends are subject to frequent changes because of the rapidly readjustment of economic conditions. In days gone by, the dividend formula was fairly continuous. President FULTON decries, therefore, the quoting of dividends present paid as indicative of what they will be in the future. No one can be a

prophet so far as dividends are concerned.

Therefore, in order not to mislead or disappoint we agree with President FULTON that it is very unwise to have dividends enter into a solicitation so far as making promises or predictions that they will continue. A policyholder who is disappointed on receiving his dividend because he was misled by the statement of the agent is a poor advertiser for a company.

Building an Organization

THE announcement that President ARTHUR F. HALL of the LINCOLN NATIONAL LIFE becomes chairman of the board and his fellow worker, A. J. McANDLESS, is made president deserves more than passing notice. MR. HALL from the very beginning has been an administrator extraordinary in that he knew how to build a strong organization. He gathered about him man-power of high degree. He was never jealous of the men down the line. He always stated that if there was a better man among the subordinates to fill the presidential chair he would abdicate the throne without further ado.

Because he did not fear the men coming up there have been very little politics and intrigue. MR. HALL thoroughly believes in giving responsibility and not dominating the entire organization. The least sort of people he wanted with the LINCOLN NATIONAL were "Yes men." He sought to know just what each one of his officials thought, whether it pleased MR. HALL or not. The LINCOLN NATIONAL is one of the outstanding companies so far as organization is concerned. Its plan might well be emulated.

Learning by Constructive Criticism

RALPH E. RICHMAN, resident vice-president of THE NATIONAL UNDERWRITER at Boston, gave some interesting thoughts on the late R. W. THOMAS, who was vice-president of the ORIENT, and assistant to GILBERT KINGAN, United States manager of the LONDON & LANCASHIRE FIRE. There was one point that seemed particularly apt and that was Mr. THOMAS' reaction to criticism on part of superiors. As he went along in his work and grew older he gave credit to those higher up who had taken sufficient interest in him to keep a watchful eye over him and criticize what he was doing when there was

something really worth while criticising.

Then Mr. THOMAS remarked that one of the things to be sincerely coveted on part of young men is encouraging this very attitude on part of superiors in an organization who will take the time to make constructive criticism. Usually when we are criticised we are inclined to be affronted. We resent it. Frequently criticism is not given in a kindly spirit but when it is constructive and worth while there is no influence in one's life that is more helpful. At times we are inclined to chafe under the watchfulness of supervisors and yet if the administra-

tive officer and the employee are on the right terms and the employer realizes that it is for the best interests of the employee to have pointed out features that need to be criticised, and if the employee will receive this attention in the way it

is meant there is nothing more mutually helpful. We do not grow very rapidly by laudation but we can make substantial progress if a kindly person points out our faults and weaknesses and we try to profit by the process.

PERSONAL SIDE OF BUSINESS

J. A. Wellman, retiring general agent National Life of Vermont at Manchester, Vt., was guest of honor at a dinner tendered by members of the Manchester Life Underwriters Association.

John Boyle of Boyle & Boyle, Chicago general agents of the Minnesota Mutual Life, who he claims has had 57 different diseases and has been laid up since January, having spent many months in the hospital, is now at home and able to get around. His basic difficulty was emphysema. Added to that were 56 other maladies which he has meticulously classified. For some time he was at the Hines Hospital. He gets downtown once in a while. Mrs. Boyle, his partner, not only looks after the home with its six children, but also runs the business. She was his cashier for six years before they were married. Both Mr. and Mrs. Boyle are well informed insurance people and have a large circle of friends. Mr. Boyle expects to go south in February to escape some of the rigors of winter.

Horace W. Foskett, assistant vice-president of the Equitable Life of Iowa, has been elected president of the Des Moines Chamber of Commerce for 1939. President Gerard S. Nollen of the Bankers Life was re-elected a director of the Greater Des Moines committee.

W. Ed. White, vice-president and superintendent of agencies of Continental Assurance, was a visitor to the offices of California Agencies, Southern California representative.

Edwin W. Craig, vice-president of the National Life & Accident, presided over a conference of the sixth district of National Association of Broadcasters, in Nashville.

Stratford Lee Morton, head of the Morton & Morton general agency of the Connecticut Mutual Life in St. Louis has been elected a director of the Better Business Bureau of St. Louis, representing insurance.

Glen A. McTaggart, manager of the Denver ordinary agency of the Prudential has been elected vice-president of the Denver Kiwanis Club.

R. P. Thierbach, general agent Northwestern Mutual Life, Cleveland, was the subject of an article in the Cleveland "Plain Dealer" recently, his 13 weeks' "success school" for salesmen being described. His present class consists of 25 young salesmen, the majority college graduates, who assemble in his office each Monday night to discuss principles of salesmanship. All are employed in lines other than insurance. There is no tuition charge. Mr. Thierbach selects the students on recommendations of friends. Mr. Thierbach says the object

of the school is "to teach young men the two abilities that all salesmen need—first, the ability to like people; second, the ability of self-control. This second ability includes work, study, mental attitude, and many other things." He feels that while the country in the last 50 years has been greatly increasing its ability to produce goods, the most efficient distribution of these goods has been much neglected. Mr. Thierbach taught life insurance selling at Marquette University for three years, and is chairman educational committee, Cleveland chapter of C.L.U.

Mrs. G. A. S. Robertson, wife of the Missouri insurance superintendent, who was seriously injured in a taxicab accident in New York last December while she and her husband were there at the meeting of the National Association of Insurance Commissioners, has been in the hospital ever since but is now at her home in Jefferson City. Her leg was broken in the accident, streptococcal infection set in and complications followed. She has undergone eight operations. She has been confined to her bed, therefore, for a year.

T. W. Appleby, president Ohio National, was elected a director of the Cincinnati & Hamilton County Y. M. C. A. He has been prominent in "Y" activities a number of years and is a director of the Eastern Hills branch in Cincinnati.

T. B. Donaldson, former commissioner of Pennsylvania and former president of the National Convention of Insurance Commissioners, has been elected executive vice-president of Pennsylvania Indemnity and Pennsylvania Indemnity Fire of Philadelphia. Since retiring from state service, Mr. Donaldson has been vice-president of Eagle Fire of New Jersey, a reinsurance company.

Bertram W. Smith, Providence, R. I., general agent of the Monarch Life, died. He was with the Massachusetts Mutual Life at the home office for 14 years prior to going to Rhode Island in 1922.

As a tribute to W. T. Russell, with the Connecticut Mutual Life in Baltimore for 17 years as agent, who has resigned to go with Tongue, Brooks & Zimmerman, in charge of its life insurance department, a number of his fellow workers in the Connecticut Mutual tendered him a dinner. Manager W. K. Magruder presented him a silver cigarette case from the Connecticut Mutual staff.

J. L. Howard, vice-president of the Travelers life department is visiting the west coast branch offices. He left Hartford Thanksgiving Day.

Ben H. Badenoch, who retires as general agent of the Northwestern Mutual in Boston on Jan. 1, will become associated with Hobart & Oates, general

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PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3708. W. J. Smyth, Res. Mgr.

SAN FRANCISCO OFFICE—507-509 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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agent of the Northwestern in Chicago, specializing on taxation, pension trusts and corporation insurance. While in Boston, where he has been for the past six years, Mr. Badenoch served as president of the Boston Life Underwriters Association.

Department heads of the Minnesota Mutual Life Insurance Co. were hosts at a dinner in St. Paul in honor of Chairman **E. W. Randall**, who has completed 30 years service with the company. Mr. Randall will be 80 years old Jan. 1.

Lyman E. King of Dallas, Tex., formerly New England Mutual general agent at Topeka and president of the Kansas Life Underwriters Association, visited Topeka and Wichita last week. Mr. King is representing the New England Mutual at Dallas.

H. L. Garic, 60 years old, general agent of the Massachusetts Mutual Life in New Orleans, died of a heart attack.

Father-and-Son Combinations

The Pacific Mutual Life has given recognition to 12 "father-and-son" combinations in the Agency organization. These are: Cliff Blackburn, general agent, Memphis, Charles Blackburn; C. L. Durrett, general agent Little Rock, C. L. Durrett, Jr.; Frank Fitts, general agent Tuscaloosa, Ala., Frank Fitts, Jr.; P. D. L. McLaurin, supervisor Phoenix, Ariz., L. De McLaurin; S. R. Ellis, general agent Deadwood, S. D., N. A. Ellis; J. H. Rappaport, Chicago, Earle Rappaport, Eugene Rappaport and Leslie Rappaport; W. C. Kern, Leavenworth, Kan., W. C. Kern, Jr.; J. S. Fabling, Denver, H. C. Fabling; F. B. Schwentker, general agent Phoenix, F. J. Schwentker; J. L. Watts, general agent, Chicago, R. E. Watts and J. L. Watts, Jr.; W. R. Hoefflin, supervisor Los Angeles, W. R. Hoefflin, Jr., and D. G. Hoefflin; J. N. Russell, Los Angeles, J. H. Russell.

On Visit to Home Office

LITTLE ROCK, ARK.—**Gordon H. Campbell**, general agent for Aetna Life Insurance Company in Arkansas, returned Monday from a trip to Hartford, Conn., and New York City, where he conferred with company officials. On his return trip, he visited with his father, the Rev. D. K. Campbell of Bloomington, Ind.

Luncheon for Forte, Jr.

JONESBORO, ARK.—A luncheon was given at the Hotel Noble Saturday by employees of the local office of the National Life and Accident Insurance Co., in honor of **R. E. Forte, Jr.**, assistant active manager of the ordinary department of the home office in Nashville, Tenn., and Powell Stamper, former manager of this district who is now head of the publicity department of the home office. Twenty-five guests attended.

Manning Eastern Division Manager

T. F. Manning has been appointed manager of the eastern division at the head office of John Hancock Mutual. He was formerly assistant division manager of the North Atlantic territory. He succeeds **W. A. Somerby** who is retiring after 49 years' service.

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Special Claim Investigations
LIFE-HEALTH-ACCIDENT
Rector Building
Little Rock, Arkansas

COMPANIES

West Coast Life Changes; Stewart Vice-President

SAN FRANCISCO.—As a result of several retirements and deaths the board of directors of the West Coast Life will be practically reorganized. Veterans of many years service have retired and **Dr. M. O. Austin** and Judge **Ben Bledsoe** recently died. Others leaving the board are **T. C. Tilden**, chairman finance committee; **W. P. Reis** and **George D. Clark**, Sh.

Harry J. Stewart, recently brought from Portland, Ore., to succeed **Gordon Thomson** as manager of agencies has been elected vice-president and director. **George D. Clark, Jr.**, succeeds his father and **Dr. Ivan Heron**, new medical director succeeds **Dr. Austin**. Other directors will be named later. It is possible that the number of board members will be reduced.

Some changes in home office methods will also be shortly completed in line with agreement between officials and insurance departments. Mr. Stewart has arrived in San Francisco to assume his new duties. The changes reduce the age average of the management of the company. Mr. Thompson is now first vice-president with broader head office responsibilities with the veteran counsel, **Francis V. Keesling**, one of California's most prominent civic and legal leaders, as president.

Farmers and Bankers Life to Move Into New Home Dec. 10

The Farmers & Bankers Life, Wichita, Kan., will move to its newly acquired home office building there Dec. 10. The building, formerly occupied by the Wichita Club, located on a prominent corner in downtown Wichita, is six-story, constructed of steel and concrete.

The interior has been completely altered, air-conditioning units installed, sound-proof ceilings, up-to-the-minute lighting system and redecorated throughout. Private offices and work-rooms for employees are scientifically arranged, looking toward convenience and comfort of employees and public. The formal opening will take place about Jan. 19.

Baptist Mutual Needs More Business

Assets of Baptist Mutual Life of Chicago, as of June 30, 1938, were \$162,765, net reserves \$145,873 and net surplus \$15,206, according to a report of an examination published by the Illinois department. Insurance in force was \$499,398. The examiners state that the amount of new business acquired has been negligible and future progress is contingent upon the management's ability to develop a productive and efficient agency organization. This is an assessment company operating under the 1927 act. **Eric Scherstrom**, secretary, is the operating officer. For 1937 total income was \$17,994 and total disbursements \$19,169.

Changes to Great Lakes Life

The Pure Protection Life of Cleveland has changed its name to the Great Lakes Life. It will operate on a level premium plan as a mutual. It will write life, health and accident, hospital, and annuities, on both a medical and non-medical basis. The change is subject to approval by the Ohio insurance department. **Cyril J. Bath** is president, and **Frank T. Humison, Jr.**, secretary.

Not Seeking Deposit

LITTLE ROCK, ARK.—According to **J. DeWitt Mills**, vice-president, the Central States Life has not called for delivery and does not plan to ask delivery of \$85,000 of securities deposited by the

AS ANOTHER YULETIDE
approaches, it is our cordial wish that Christmas

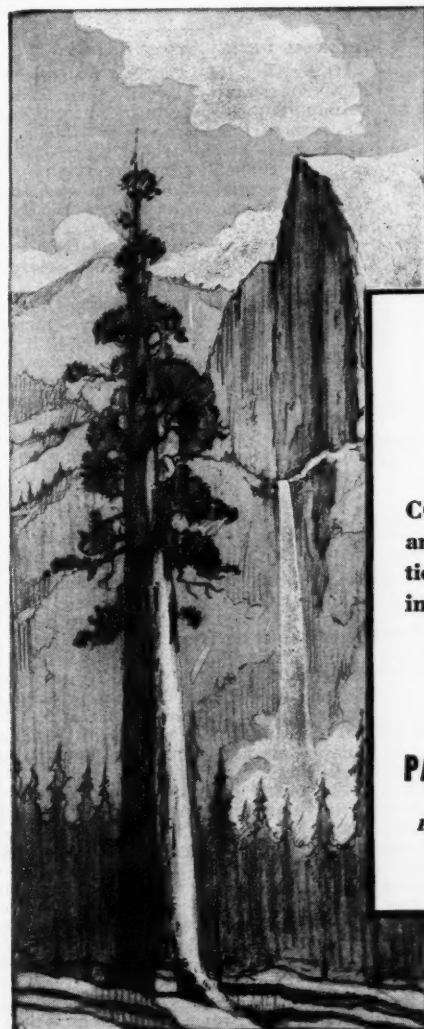
and the coming year may bring to the advertisers, readers, and publishers of this journal generous fulfillment of their hopes for happiness and good fortune.



LIFE
INSURANCE COMPANY
VIRGINIA

RICHMOND

Established 1871



Pacific Mutual
offers...

COMPLETE Life, Accident and Health Protection...Participating and Non-participating, including the well-known 5-Way Plan.

WRITE OR ASK FOR DETAILS

GIANT OF THE PACIFIC

PACIFIC MUTUAL LIFE
INSURANCE COMPANY

Home Office: Los Angeles, California

former Home Life of Arkansas, the business of which it assumed in 1931 under a reinsurance agreement. Attorney-general Holt recently rendered an opinion that the securities may not be released until extinguishment of rights of Home Life policyholders who did not accept terms of the reinsurance agreement.

Prudential Divisions Move

NEWARK, N. J.—Departments of the Prudential now located in the National Newark & Essex Banking Building here are: Unclaimed equities bureau, accounting section (machine room) industrial claim department, ordinary claim department, claim inspection department and ordinary disability claim department.

Harry H. Wise, 64, Lorain, O., life agent for the last 30 years, died.

Republic National Takes On Fidelity Life of Arizona



T. P. BEASLEY

DALLAS—Republic National Life of Dallas, which has been taking over a number of companies in its program of obtaining \$50,000,000 insurance in force by 1940, has now acquired the business of Fidelity Life of Phoenix, Ariz.

As of Dec. 31, 1937, Fidelity Life reported assets \$191,252, policy reserve \$37,091, capital \$100,000, net surplus \$21,699. Total income was \$161,029, disbursements \$136,026. Insurance in force was \$3,119,077.

The company commenced business in 1935. It was promoted by Insurance Finance Company which owned Fidelity Life. It took over Union Reserve Life of Phoenix in March of this year under a court order with a 100 percent lien against reserves. Union Reserve Life as of Dec. 31, 1936, reported insurance in force \$4,903,396.

M. Allen Anderson, president of Fidelity Life, becomes associated with the agency department of Republic National. Ervin Atkerson, secretary Fidelity Life, is being retained in a consulting capacity in connection with Arizona investments. M. A. Druke, state agent for Fidelity Life, remains in the same capacity with Republic National with headquarters in Phoenix.

This latest acquisition increases the insurance in force of Republic National to \$30,000,000, according to President T. P. Beasley and assets are increased by \$300,000. Through an exchange of capital stock of Republic National for assets and business of Fidelity Life, the paid-in capital of Republic National was increased by issuance of 4,430 shares, making the total outstanding capital \$251,040. The Republic National surplus now exceeds \$200,000, according to President Beasley.

Mr. Beasley states that at least one more company will be acquired by Republic National before the close of the year.

AS SEEN FROM CHICAGO

HONOR FULLER WITH \$2,250,000

W. S. Fuller, ordinary manager of the Prudential in Chicago, was presented with \$2,250,000 ordinary business on 223 lives by his agents on his eighth anniversary as a Prudential manager. The business was all written in November. The objective in the drive was \$1,000,000 on 100 lives.

Major Fuller has been with the Prudential 17 years, starting in Chicago as a special agent. He was transferred from Cincinnati to Chicago as manager on Jan. 1. He is very popular with his men and much of the success of the drive is due to his magnetic personality.

Forrest R. Shields, formerly assistant to the cashier of the agency has been placed in charge of the special conservation department.

WRITE \$560,000 FOR MILES

The Insurance Exchange branch of the Continental Assurance in Chicago wound up a November campaign in honor of Frank Miles, assistant manager, with a total of 207 application for \$562,899 of new business contributed by 97 brokers. Mr. Miles has been handling the details of the life department of the branch since E. L. Grant, the manager, has been on leave of absence for a number of months convalescing from a brain operation.

F. R. MUELLER WITH DEPARTMENT

F. R. Mueller, who resigned recently as assistant manager of the Chicago office of the Crum & Forster companies, is now connected with the Illinois insurance department. He is well known to fire insurance men in the city. He is giving special attention to the various changes in automobile insurance regulations that the Illinois department is in the process of making. He is working closely with H. A. Miller of the Illinois department.

ILLINOIS FEDERATION RALLY

H. N. Douglass, Chicago manager of New Amsterdam Casualty, has called an important meeting of the directors of the Insurance Federation of Illinois of which he is president and the so-called advisory council, which represents 16 different organizations. The meeting will be held at luncheon next Wednesday in the Union League Club, Chicago. At that time a program will be developed for the next legislative season, commencing in January.

There have been some changes in the membership of the advisory council. Hence the forthcoming meeting will afford an opportunity for the legislative workers to get acquainted. The proceedings will be of an informal nature, but important decisions will be made. Mr. Douglass will preside. The reservations for the luncheon are being made through Mrs. Lillian L. Herring, secretary.

INSTALL FIRST POLICY VENDOR

In the lobby of the Sherman Hotel in Chicago this week was installed a machine for automatically vending for 25 cents a personal accident policy providing 24 hours coverage in Great Northern Life of Chicago. This is the first unit to be installed by the Insurograph Agency of Wichita, which is promoting the scheme with the aid of Great Northern Life and the prominent Rollins-Burdick-Hunter Company agency of Chicago.

For nearly two years those interested in the plan have been working out the manifold problems involved. Those behind the promotion are anxious to have it understood that the scheme is not a slap at the agency system or anything of the kind. It is not intended to replace the services of the agent. It has a limited field and is competitive only with the type of insurance that is sold by ticket and baggage men who are not real agents.

Ralph W. Brown of Wichita is head

of the Insurograph Agency and has done most of the promotional work. One of those associated with him is John Fitzgerald, who is a son of Vice-president C. G. Fitzgerald of Massachusetts Bonding.

The machine is manufactured by the Cincinnati Time Recording Company in connection with the Standard Register Company of Dayton, O.

The Rollins-Burdick-Hunter Company is functioning as brokers and insurance advisers for the Insurograph Agency in the preparation and qualification of policies and insurance operations. The policy itself and the vending system have received the approval of the Illinois department and that of a number of other state departments.

CHICAGO BROKERS TO SING CAROLS

Christmas carols will be sung in the Insurance Exchange, Chicago, during the noon hour Dec. 22-23 by the choral group of the Insurance Brokers Association of Illinois. There are about 36 voices under direction of Wayne Howarth, professional director who conducts the choral group in the Swedish church at Chicago and is a well known composer and arranger there. R. C. Swanson, assistant manager of the exchange, has arranged to build a platform in the center of the north lobby for the purpose. Joseph Schwartz, association vice-president, is in charge of the singing activities. The group will sing over radio station WCFL two evenings during Christmas week and plans to give a concert for brokers in the Chicago Board auditorium some time in January.

FAMOUS ACTOR VISITS PARSONS

Taylor Holmes, great American actor playing with George M. Cohan in "I'd Rather Be Right," as Secretary of the Treasury Morgenthau, was a visitor in the Bruce Parsons agency of the Mutual Benefit, Chicago. He is a brother of Ned Holmes, oldest agent with Mr. Parsons in point of service. Mr. Holmes is a large policyholder of the Mutual Benefit, as is his son, Philip, who is in the movies.

HOWELL UNIT TAKES LEAD

The F. L. Howell unit of the Reno agency Equitable Society, Chicago, led the 32 units of the ten Chicago agencies with 182 applications in the November football campaign. It exceeded quota by 46 percent—an average of 8.7 applications per agent, and 100 percent of the unit scored, 76 percent of agents scoring with five or more applications.

HOBBS AGENCY'S BIG MONTH

Philip B. Hobbs, Chicago agency manager Equitable Society and chairman general agents and managers division National Association of Life Underwriters, was away from his office for some time in November and in his absence the staff put on a special effort. The result was 393 applications for \$1,981,000 volume. Mr. Hobbs reports 93 percent of the agents participated. The record compared with 219 applications for \$819,881 in November, 1937, when 77 percent of the agents participated. Mr. Hobbs will be host at a dinner party Dec. 12 for his staff when plans will be laid to carry on throughout next year the work program which was responsible for the November success. This was that every agent should work seven hours a day in the field, attempt to secure four interviews and eight referred leads. Each agent will be presented a booklet for preparing his budget, entering prospects and comparative results for 1939. The program next year will be organized along lines suggested in the general agents and managers division sessions at the Houston convention of the National association this year, including Dr. Verne Steward's test, supervision personalized to individ-

ual agents, use of small group agency clinics and building prestige.

George L. Schomburg, supervisor in the Fuller ordinary agency of the Prudential in Chicago, spent several days at the home office in Newark.

SALES MEETS

Van Schaick Speaks in Waterloo

Following his talk to the National Association of Insurance Commissioners in Des Moines, Vice-President George S. Van Schaick of the New York Life, went to Waterloo to talk to the annual meeting of the agents of the Waterloo branch of the New York Life. O. R. Carter, inspector of agencies of the mid-west department, also spoke. Fifty-five agents attended the meeting which was followed by a banquet. The branch reported the largest business during October and November since the spring of 1931. The meeting was in charge of Guy H. French, agency director.

Mr. Van Schaick also spoke to the Des Moines Ad Club.

Robinson Host to Texans

J. J. Robinson, Dallas, Tex., West Coast Life superintendent of agencies of the southern department, was host to the Southwest Texas agents at a luncheon in San Antonio. The San Antonio agency led the southern department in premium income for the first 10½ months.

Lamar Life '39 Convention Plan

The 1939 convention of the Lamar Life "All Stars" will take the form of a sea trip from New Orleans to New York, a visit to the world's fair there and return by train. The party will sail Aug. 5.

Host to Michigan Agents

Michigan representatives of the Northern Life of Canada were guests of the company at a dinner in Flint, attended by home office officials. From London, Ont., were G. W. Geddes, general manager, and C. C. Martin, superintendent of agencies. Manager M. L. Schmidt of Flint; A. H. DeBorst, Grand Rapids manager, and Harry Weingarden, Detroit manager, attended.

State Farm Meet in Oregon

PORTLAND, ORE.—The State Farm companies held a state-wide convention here with C. G. Frice, Oregon state director, as chairman.

G. E. Mecherle of the home office spoke on "Energized Mobilization," in which he stressed salesmanship, personality, personal competency and prestige.

O. Sam Cummings Has Leisurely Day in Shreveport

O. Sam Cummings of Dallas hit Shreveport, La., the other day, addressed a record crowd of the Shreveport Life Underwriters Association, gave a talk before a special meeting of the Kiwanis club, conducted for a period of four hours a round table discussion with the Shreveport Managers Association and attended seven races at the Shreveport Jockey Club. As everyone knows, Mr. Cummings is Texas manager for Kansas City Life and is immediate past president of the National Association of Life Underwriters. Apparently he has lost none of his old time spark since becoming a private citizen.

Reports on Storm Losses

Prudential announces that it has made payment of \$83,583 on 49 lives as a result of the recent North Atlantic hurricane. Of this amount \$32,374 was accounted for in accidental death benefit payments. The highest amount paid to any one beneficiary was \$10,046. The assured was hit and killed by a falling chimney in Glastonbury, Conn.

NEWS OF LIFE ASSOCIATIONS

Civic Cooperation Plan Is Developed in Bloomington

BLOOMINGTON, ILL.—The Bloomington-Normal Life Underwriters Association will hold its first annual open civic dinner to which business men of the community are being invited. Dr. Donald M. Marvin, visiting professor of economics at the University of Illinois and economist of the Royal Bank of Canada, will speak on "Money and Business Prospects."

The Bloomington association has been active in its public relations work and the dinner is the result of the efforts of a special committee on civic cooperation which was formed to keep life insurance men in closer touch with business men in other lines.

The dinner will be a part of the Bloomington Association's celebration of its 20th anniversary and of the National Association's 50th. Life insurance will not be discussed at the dinner and a floor show will provide the entertainment.

The Bloomington association has been forging ahead under President Alfred C. Brunk, Aetna Life. He sponsored the committee for civic cooperation plans to serve as the connecting link for co-operation between the life underwriters association and civic business educational and service organizations. Association members have been assigned to contact 30 civic business and service organizations. A letter was written to the president of each organization asking co-operation and outlining the plans. This activity is increasing the public's interest in life insurance and is raising the prestige of the business and its representatives. A special speakers bureau provides speakers on life insurance for organizations which request them. The reaction of the various organizations to the plan has been very favorable.

Plan Legislators Dinner

LOS ANGELES — Commissioner Goodcell, J. R. Kellems, newly elected member of the California legislature, and Dr. W. O. Mendenhall, president Whitier College, are to speak at a legislature dinner to be given in the Elks Temple, Los Angeles, Dec. 13. Joseph Charleville, managing director, Life Underwriters Association of Los Angeles, which has charge of arrangements, announced. It is sponsored by the California State Association of Life Underwriters honoring southern California legislators. Other associations participating are San Diego, Long Beach, Pasadena, Orange County, Santa Barbara-Ventura, Orange Belt, and the Life Insurance Managers Association of Los Angeles. It is understood the state association will sponsor a similar dinner in northern California. Both will be non-political.

Dubuque, Ia.—Col. Earl R. Reynolds of the Parsons agency of the Mutual Benefit Life in Chicago, talked on the advisability of using settlement options in connection with proceeds to beneficiaries, touching briefly on taxation.

Wausau, Wis.—Fred Lundin of the Central Life of Des Moines home office, spoke on "Selling Trends" at the monthly luncheon. The next day he was guest speaker at a meeting of the C. C. Tucker general agency Central Life.

Springfield, Ill.—Edward B. Thurman, Chicago general agent for the New England Life, spoke.

Toronto—Holgar J. Johnson, president National Association of Life Underwriters, will be guest speaker at a luncheon in the Royal York Hotel Dec. 15. Officers for the year will be elected.

Fargo, N. D.—R. A. Trubey, Guardian Life, talked on "Public Relations," at the meeting of the North Dakota association. The guest of honor was W. A. Tronson of the A. W. Crary agency of Northwestern National Life who is leaving

Fargo to represent his company in Denver. He was presented with a gift by President H. J. Gilbertson, Penn Mutual Life, on behalf of the association, and Mr. Crary made some remarks. Mr. Tronson is vice-president of the North Dakota association.

Cedar Rapids, Ia.—Plans are being made for a membership campaign in 1939. James Rutherford, Des Moines, president Iowa association, will attend the kickoff dinner the first week in January.

Boston—It was been voted to change the date of the annual meeting from Dec. 15 to sometime in June, 1939, to comply with a new administrative year. At the December meeting C. Preston Dawson, general agent New England Mutual Life in New York City, spoke on "Finding and Approaching the Market."

Northern New Jersey—Officers of the Fidelity Union Trust Company will be host to the association at a luncheon in Newark on Jan. 16.

Cumberland, Md.—Agents should organize themselves and keep a record of their work, write cases rather than volume; write life insurance from the human side, not from the statistical side. These three elements of success were stressed by W. M. Rothaermel, agency vice-president Continental American Life, at the December meeting. He reported highlights of the Houston convention of the National Association of Life Underwriters, noting especially that the men at Houston were no different from life insurance men anywhere, except that they were enthusiastic, had an overpowering sincerity genuineness and spirit which set them and their hearers on fire. Mr. Rothaermel said they obviously were in the life insurance business not as a stop-gap, but because they had thrown their whole heart into life insurance as a career. A. P. Arnett, district manager Continental American in Cumberland, was host to Mr. Rothaermel on the visit.

Fort Wayne, Ind.—W. N. Hiller, Penn Mutual, Chicago, a life member of the million dollar round table, will address the noon meeting Friday of this week on "You Ask Them—I'll Answer Them."

Grand Rapids, Mich.—Vincent B. Coffin, vice-president Connecticut Mutual, is scheduled to address the luncheon meeting Friday of this week.

Sarnia, Ont.—Gordon Nairn, field supervisor of the Dominion Life, stated that the present trend in the insurance business in Canada was toward fewer agents with much better training and more supervision and education.

Emporia, Kan.—Urban C. Brown, John Hancock Mutual, spoke. The books "Why Level Premium Life Insurance?" and "Let's Have the Facts," were discussed.

Cincinnati—Paul Speicher, Research & Review, Indianapolis, will speak on "Pre-Approach and Approach" Dec. 15. J. S. Drewry, Mutual Benefit, is chairman of the meeting.

Mason City, Ia.—A family dinner will be held on Dec. 12.

Columbus, O.—J. S. Drewry, general agent Mutual Benefit Life in Cincinnati and president Insurance Federation of Ohio, spoke at the monthly meeting here on "Why People Buy Life Insurance."

Form Agents "Gobbler Club"

The Northern Life of Canada has formed a "Gobbler Club" for its field force. Those meeting production requirements from Dec. 1 to Dec. 23 will win membership and a gobbler delivered in time for Christmas.

Arthur J. Hiller, Sr., 58, New Orleans, an agent for the New York Life for many years, died.

Prospect with accident and health. Read *The Accident & Health Review*, \$2 a year. 175 West Jackson Blvd., Chicago.

OFFERS IMMUNITY

Measles and other "catching" diseases of childhood used to be considered scourges which must run their courses in a community. But where medical science found the harmful after-effects steps were at once taken to effectively guard against them.

In the same way economic disasters leading to a dependent old age were once considered tragic but unforeseeable consequences of the economic system. But Fidelity in 1902 originated a plan to anticipate this and other hazards of life—the "Income for Life" plan.

Fidelity agents have profited by Fidelity emphasis of this plan—and by association with the company that originated it.

The **FIDELITY MUTUAL LIFE**
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President



A Crown for the Ambitious Man!

Occidental Agents are men who put the love of their profession ahead of "penny counting." That may be one reason that most of them show real earnings.

For after all, Occidental has a service that is "Tailor-made" for the individual. It's exclusive "Perfect Protection" feature—life insurance with disability income from the first day—its "Double Protection" feature which provides double protection during the most needful years—make applications easier to write. This, plus understanding help from the home office, brings the crown of "success" to Occidental men.

Interested men with ambition, write W. H. Trentman, Vice-Pres.



LAURENCE F. LEE
PRESIDENT

OCCIDENTAL
LIFE INSURANCE COMPANY
RALEIGH NORTH CAROLINA

LIFE AGENCY CHANGES

Le Laurin General Agent of Aetna Life in Kentucky

Louis A. LeLaurin has been appointed Aetna Life general agent in Kentucky with headquarters at Louisville, effective Jan. 1. He has been assistant general agent in the J. S. Edwards agency Aetna Life, Denver, since Jan. 1, 1936.

He is a native southerner, born and raised in Arkansas. He joined the Aetna Life as an agent with Gordon H. Campbell, Little Rock general agent, in 1927, and in 1929 moved to southern California, where he continued as an agent until he went to Denver. He is a brother of F. E. LeLaurin, associate general agent Aetna Life, New Orleans.

As a personal producer, Mr. LeLaurin was successful at "program" selling and since he assumed his duties at Denver, has successfully emphasized training of salesmen along program selling lines through use of the Aetna's "estate control" plan.

California-Western States Names Dallas, Seattle Men

The appointments of Edward J. Sperry as Seattle manager and J. Weldon Crawford as Dallas manager are announced by California-Western States Life.

Mr. Sperry has made a record as a producer for Phoenix Mutual, and has been active in training agents.

Mr. Crawford has had considerable experience as a home office agency man and as a general agent.

Connecticut Mutual to Develop Louisiana



JOHN T. MOORE

The Connecticut Mutual Life is extending its field of operation to Louisiana and has appointed John T. Moore, well known New Orleans life insurance man, as general agent. He will have charge of the entire state with headquarters in New Orleans.

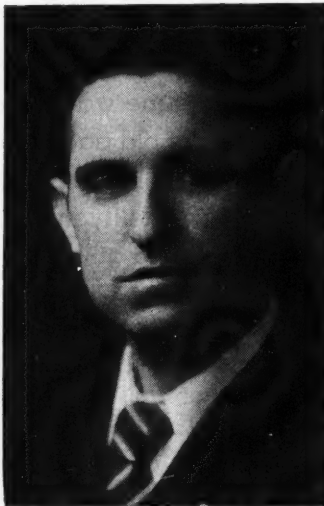
Mr. Moore has had more than 15 years of sales experience as automobile salesman, sales engineer and as a life insurance agent and field supervisor.

In the life insurance business since 1930, he has served as agent with the Pacific Mutual for six years and field supervisor with the Mutual Life of New York for the past two years. He has had an excellent record in personal production. Mr. Moore is president of the New Orleans Life Underwriters Association and has been active in civic work.

Transferred to Columbus by Bankers of Iowa

The Bankers Life of Iowa has appointed Robert J. Johnson, agency manager at Columbus, O. Mr. Johnson, who succeeds Myron C. Graff, resigned, has been Washington agency supervisor for the past year, and prior to that was Richmond agency manager.

Mr. Johnson joined the Bankers Life



ROBERT J. JOHNSON

in 1934. Prior to that he had served for 17 years in school work. For some time he was superintendent of schools in Virginia Beach and of Princess Ann county, Virginia. He is a graduate of William and Mary college.

Aetna Life Names Caldwell Assistant Denver Manager

James M. Caldwell, manager of the life department of the Dulaney, Johnston & Priest agency of Wichita since its organization in 1930, has been appointed assistant general agent of the Denver agency. Mr. Caldwell last year served as president of the Wichita Life Underwriters Association. Upon graduation from Washburn College, Topeka, Mr. Caldwell joined Aetna Life in 1926 and attended the home office group school following which he was connected with the group department in different sections of the country before joining Dulaney, Johnston & Priest.

C. J. Walker with Ohio State

The Ohio State Life has appointed C. J. Walker of Clarksburg supervisor for northern West Virginia. Mr. Walker has served as general agent for both the Washington and Pilot Life at Cumberland, Md., and Clarksburg.

Tanner General Agent

C. R. Tanner was appointed as general agent by the Pan-American Life at Fort Worth, Tex. He has been in life insurance production eight years with a consistent sales record for a considerable period.

Sechler to Minnesota Mutual

Virgil H. Sechler has been appointed general agent of the Minnesota Mutual Life at Springfield, Mo. He has represented the Penn Mutual Life there the past two years and before that was with the Equitable Society.

Corley with Occidental Life

Thomas C. Corley has resigned at Little Rock as agency supervisor of the C. L. Durrett general agency of the Pacific Mutual Life to become Arkan-

sas general agent of the Occidental Life of Los Angeles. He was with the Mutual Life of New York at Little Rock, New Orleans and Los Angeles. He returned to Little Rock in 1928 and has made a consistently good production record.

Ellis Named at Paris, Tex.

P. E. Ellis has been appointed general agent of the American National at Paris, Tex. He formerly was district manager there. He has been with the company five years, is a consistent appraiser and producer and has the lowest not-taken ratio of any American National agent.

Crawford Dallas Manager

J. W. Crawford, formerly Little Rock general agent Ohio National Life, has been appointed manager at Dallas by the California-Western States Life. His territory will comprise northeast Texas. He has had 14 years' experience in life insurance, starting with old Home Life of Little Rock, and then being a director

and supervisor of agencies of the National Equity Life, Little Rock.

Edward J. Sperry has been named as manager for California-Western States Life in Seattle.

Ditmars Department Head

PASSAIC, N. J.—F. A. Ditmars, of the Newark agency of the Massachusetts Mutual Life under F. H. Lewis, general agent, has been named head of the life department of the Burton Parker Agency here. He is not severing his connection with the Lewis agency, but will build a life business for the Parker agency. He is secretary Life Underwriters Association of Northern New Jersey.

Major Harry Bolen, president of the Cairo, Ill., chamber of commerce, has joined the St. Louis agency of the Bankers Life of Iowa.

Harold A. Stevens, for five years cashier of the Columbus, O., agency for the Aetna Life, has been named cashier at St. Paul agency, and Norman Hensen, transferred from Boston, succeeds him in the Columbus office.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Berkshire Making Numerous Changes

The Berkshire Life is making a number of policy changes effective January 1. Settlement options B, D and F, involving an income for life, are based on the table used in calculating rates for immediate annuities, which were placed in effect July 1. The interest rate is 3 percent.

Under the option involving installments for a definite number of years only, the rate of interest has been changed from 3 percent to 2½ percent, which is also the rate guaranteed on amounts left with the company at interest.

How Change May Be Made

Instead of providing for change to a higher premium form as of original date by payment of difference in reserves, the change may now be made on payment of the difference in premiums with interest at 5 percent compounded or the difference in reserves plus 5 percent, whichever is greater.

Payment of 5 percent interest on policy loan arrears is required.

The automatic non-forfeiture benefit is now extended term insurance instead of paid-up insurance. Endowment policies placed under extended term provision are now made participating for both term and pure endowment portions. Previously the pure endowment portion was non-participating.

New Reinstatement Provision

Instead of providing for reinstatement at any time after date of default by payment of the difference in reserves if reinstatement was effected one year or more after date of default in payment of premium, the new clause provides for reinstatement within five years from date of default by payment of arrears in premium at 5 percent.

A new series of juvenile policies will be issued in New York. Ordinary life and regular 20-payment life policies will provide for insurance of \$50 at age 0, \$100 at age 1, \$200 at age 2, \$300 at age 3, \$400 at ages 4 to 10, inclusive, and \$1,000 from age 11 up. The company also will issue a 20-payment policy under which amounts up to and including age 10 are the same as those given above but from age 11 on the amount of insurance will be \$100 for each year of age (that is, \$1,100 at age 11, etc.) until it

reaches a maximum of \$1,500 at age 15.

In conformity with the settlement options, the cash value at maturity and consequently the annual premiums under retirement income contracts will be increased. Similarly, the amount of term coverage included in the family protection policy will be increased, which also will result in an increase in premiums. Specimen premiums for these forms follow:

		Retirement Income at Age			
Age		Male		Female	
		55	60	55	60
20	\$40.13	\$31.35	\$25.50	\$43.36	\$33.78
30	62.71	45.99	35.53	68.24	49.99
40	117.49	76.75	54.71	128.60	84.06
50	...	171.08	100.90	...	188.70

		Family Protection			
Age		10 Yr.		15 Yr.	
		Plan	Plan	Plan	Plan
20	...	\$26.26	\$29.40	\$33.53	...
30	...	31.99	36.30	40.70	...
40	...	42.29	48.67	56.16	...
50	...	63.95	76.42

Dividend Scale Decisions Made by 36 Companies

Thirty-six companies have announced their plans for the schedule of dividends to be paid during 1939. Of these, two Canadian companies have announced an increase over 1938—Confederation Life and Manufacturers. Provident Mutual is making a general revision in its schedule as was reported last week. Victory Mutual of Chicago declared no dividend for 1938 and for the coming year is paying none.

Companies Not Changing

The companies making no change are: American Home, Kan.; Beneficial, Central Assurance, Ohio; Columbia Mutual, Iowa; Connecticut Mutual; Equitable Canada; Expressmen's Mutual; Fidelity Union; Girard Life; Great Southern; Great-West; Home Life; John Hancock; London Life; Midwest; Monarch, Mass. (to July 1, 1938); Mutual, Canada; National Life, Vt.; North American Life & Casualty; North Carolina Mutual; Northern, Canada; Northwestern Mutual; Policyholders National; Reliance Life; Service Life; Shenandoah Life; State Life, Indiana; State Mutual; Union Central; Union Labor.

Baltimore Life Changes

The new policy form to be used by Baltimore Life after Jan. 1 will contain a number of minor refinements although

there will be no change in the basic coverage. In the past the company has required that dividends not taken by the insured at the time they were payable be used to purchase paid-up additions but the new policy will contain the option of accumulation at 3 percent interest, which is quite common among participating companies. To this 3 percent will be added any excess interest which may be declared.

The non-forfeiture options of extended and paid-up insurance will be granted a cash surrender value by contract provision and the paid-up insurance will have a loan value. In the past it has been company practice to allow cash and loan values on paid-up insur-

ance, but this practice was not extended to the other options.

In common with the current provisions of most policies, the contestable period and suicide clause have been extended to two years and the company reserves the right to defer payment of a cash loan for 90 days except where such loan is to cover premium.

Union Central to 5 Percent

Effective Jan. 1, the Union Central Life is lowering the interest rate on policy loans to 5 percent in accordance with the amended New York law. No changes have been made in dividends and no other immediate changes are contemplated.

INDUSTRIAL FIELD NEWS

Brawley to Head Division for Western & Southern

Charles F. Brawley, Norwood O., manager of the Western & Southern, has been appointed superintendent of agencies of the newly formed division E, including Cincinnati, Central, East, Park, West, districts; Norwood; Covington, Lexington, and Maysville, Ky. Division D, which was recently formed under the supervision of W. O. Burns, now includes the following Indiana districts: Anderson, Columbus, Ft. Wayne, Lafayette, and Richmond.

Mr. Brawley joined the Western & Southern as an agent in 1922. He was promoted to superintendent in 1924 and was made Norwood manager in 1925. Under his management, Norwood has consistently been a leading district and Mr. Brawley was always a leading personal ordinary producer.

Union Files Charges

MILWAUKEE—Charges of unfair labor practices have been filed with the Wisconsin state labor relations board against the Prudential by the International Union of Life Insurance Agents. Hearing on the complaint will be held by the labor board Dec. 9 in the Milwaukee office, according to S. Norman Moe, regional director. The complaint alleges the company has refused to bargain with representatives of the union, keeps them under continuous surveillance, and has interfered with the rights of its employees to organize in its industrial offices here, Racine and Kenosha. The International Union of Life Insurance Agents is composed of industrial agents of Prudential, Metropolitan and John Hancock, with a half dozen locals in a number of Wisconsin cities.

Alfred Green Dies

PROVIDENCE, R. I.—Alfred Green, for many years manager of the Pawtucket office of the John Hancock Mutual Life, died aged 77 years, having been ill several months.

Hedges to Home Office Agency

N. B. Hedges, formerly manager of the Lincoln-Income Life's Tulsa, Okla., district, was promoted to manager of the home office district at Louisville, Ky., the company's largest agency. Mr. Hedges has been at Tulsa since 1937, prior to which he was manager at Ardmore, Okla.

R. B. Mortiz, Oklahoma City agent, has been promoted to superintendent there.

Christmas Dinner at Springfield

SPRINGFIELD, ILL.—A Christmas dinner party was held for the Metropolitan Life's employees in this district. There were 60 present. Guests included managers, assistants and agents from Springfield and surrounding territory. Olan Archer was in charge.

Phillip J. Flannigan, 44, cashier at Nashville, Tenn., for the New York Life, died 10 days after his marriage to Miss Marjorie Lord.

Pink's Recommendations Are Discussed by Committee

DES MOINES.—At a meeting of the industrial life committee headed by Superintendent Bowen of Ohio for the National Association of Insurance Commissioners, the recommendation of Superintendent Pink of New York for the regulation of the industry in his state were considered together with the comment of the Metropolitan Life on his text. Each point was discussed both by commissioners and company men bringing out some helpful suggestions.

It was felt, however, at this time it would be unwise for the commissioners to inject themselves into the controversy. However, a transcript will be made of the proceedings for reference in the future.

Hall to Head Office

Benjamin N. Hall, formerly assistant manager at the Toronto Danforth district of the Metropolitan Life, has been appointed supervisor of agents' accounts at Canadian head office in Ottawa.

Forty Years with Prudential

Miss Elfreda F. Devendorf, a supervisor of the all division policy sections at the home office of the Prudential, recently celebrated her 40th anniversary of service. She is an expert on intermediate and industrial insurance.

Assistant Dies from Crash

A broken neck received in an automobile accident resulted in the death at Chattanooga, of W. A. Harper, assistant manager Murfreesboro, Tenn., district Interstate Life & Accident. He was with the company since 1925.

Joseph J. Landry, Prudential agent at Portland, Ore., observed his 20th anniversary at a luncheon. He was presented with a diamond locket by Superintendent David E. Wilson.

Use of "Hospitalization" Is Forbidden in Georgia

ATLANTA, GA. — Companies operating in Georgia have been ordered by Commissioner Harrison to cease using the terms "hospitalization" and "group health" or similar phrases in their policies. "Life, health and accident companies have no authority to issue group hospitalization contracts, nor to use the words 'group hospitalization' or 'hospitalization' in their health or accident policies. Nor shall companies represent that their policies or contracts are 'hospitalization' contracts. No other corporation is authorized to issue such contracts other than the non-profit corporations designated by said 1937 act," said the commissioner.

Sun Life Director Is Named

John A. Tory has been elected a director of Sun Life of Canada and he resigns from the managership of Western Ontario Agency which he has occupied for 30 years.

Every Week for Eleven Years...

Regular production every week for eleven years—572 weeks without a break—is the record of Don T. McKellar, general agent of this company in a town of only 4,000 population. During this period he has averaged less than five not-taken policies each year and he enjoys one of the highest persistency records of any man in the field.

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As the shadows of the old year lengthen into memories, may you have a Very Merry Christmas and a Prosperous New Year.

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INDIANA

III

AGENCY MANAGEMENT

Method of Financing Life Agents is Told by Harper

W. R. Harper, general agent Aetna Life, Philadelphia, addressed New York City managers on the subject "Financing Agents."

Looking back over a long period of years it seems to me that at one time or another, I must have tried every method of financing agents I could devise or had heard of anyone else using.

All of you, I suppose, are familiar with the argument frequently put forth by the agent, more particularly perhaps by one who has already had some experience on the subject, that he needs assurance that his minimum financial requirements will be taken care of in order to be able to do his best work.

With possible exceptions here and there, I must out of my own experience definitely disagree with this theory.

It seems to me that the agent, particularly in the early years, requires the direct incentive in the way of a need to earn the commission on each individual case in order to enable him to put forth that last extra effort which so often means the difference between success and failure.

The plan we have been using in recent years is fundamentally simple enough. We place to the credit of the agent a certain amount of money as agreed upon, depending upon our estimate of his possibilities. This sum may be anywhere from \$300 to \$2,000 although I might say that it is very seldom the latter figure.

Against this credit so set up, the agent is permitted to draw not exceeding a certain amount each month, based partly upon his own estimate of his absolute minimum needs and after breaking down and discussing the various items of living expenses which he will have and we have agreed that his estimate is reasonable.

This is the fundamental basis or, shall we say, the starting point.

In actual practice, however, we do not always use the plan exactly as outlined. What we do is to limit the amount which can be drawn in any one month to a figure below, sometimes substantially below, the agent's minimum needs as previously agreed upon and let him have anywhere from one-half to all of his first commissions in addition.

It is pointed out to him at the start that the greater extent to which he can cover his minimum needs by commissions rather than advances, the longer his credit will last.

It is also an essential part of the picture that whenever an agent wants to draw against his credit, he must go to his supervisor and ask for it. His supervisor then receives my personal check for the amount, to which is attached a typewritten statement showing the amount of the original credit, the amount already drawn as an advance including the present check, the balance remaining available, and the amount of written and paid business from the beginning down to the present.

This serves to bring to the attention of both the agent and the supervisor, the extent to which the available credit balance is declining and this point is usually discussed between the agent and the supervisor each time a check is drawn.

We never commit ourselves to an advance either for a definite period of time, or that the amount of the credit set up will necessarily remain to his credit regardless of what happens. We always have a clear understanding that the arrangement can be discontinued at any time when we are not satisfied with his progress.

Possibly, the question may have been developing in the minds of some of you,

as to what happens when an agent has used up all of his credit balance. When this point is reached we then try to make a complete survey of both the agent's work so far, and his possibilities for the future. If we feel that he has no chance of succeeding we terminate his contract.

If, on the other hand, he has made sufficient progress to indicate that he has better than an even chance to succeed we then tell him that he will be given an opportunity, if desired, to see if he can live on commissions alone, that his debit balance will be allowed to stand as is until further notice, and he will be given all of his commissions as they accrue, not only on future business, but also deferred first commissions and renewals on business written during the advanced period.

Our general thought back of the whole plan is that it will take the new agent through the first six to twelve months if he has any real chance of making good and that if he can not live on commissions alone after the first year with some help from us over the rough spots from time to time if we feel it justified, he will be better off in some other line of work.

To summarize, the fundamental points are as follows:

1. A credit balance is set up for the agent;

2. He is told that this represents the most he can ever owe;

3. Limitation of the amount he can draw in any one month;

4. When he wants money he must go to his supervisor and ask for it;

5. He is encouraged by suggestion to cover his needs by commissions and draw against his credit balance only when absolutely necessary;

6. His general picture is discussed with the supervisor each time he receives a check;

7. Each time he receives a check his attention is directed to the decline in the credit balance and his production down to date.

8. When his credit balance has been exhausted he may be given an opportunity to continue on a commission basis, receiving all commissions with a moratorium on his debit balance.

It is my feeling that this procedure tends to discourage the agent who is lacking in stamina and this is one reason for following it. If he is so lacking we want to know it as early as possible. However, with the other type, the one who is determined to make good, the decline in his available credit balance seems to just naturally make him dig in harder, and when we see this effect as we do from time to time, we think we have a man who is going to come through.

Conservation Factor Stressed at Denver

DENVER—B. J. Harrington, manager of the Arapahoe Agency of the Metropolitan, and C. E. Eddleblute of the Penn Mutual, talked on two phases of conservation at a meeting of the Life Agency Managers Association.

Mr. Harrington declared that conservation must follow a logical course from the careful selection of agents on through to intelligent servicing of accounts. A manager should carefully review all applications before they go into the home office as with his broad background he is better able to determine than an agent whether or not the proposed program actually meets the needs of the assured. In this way complica-

tions can be averted which are likely to occur after the business has been on the books for a time.

The importance of annual service calls to make certain that the program is kept up to date, was stressed by Mr. Harrington. When a second loan is made on a policy, then's the time to determine whether or not changing circumstances have made the present program impractical and if so to rearrange it. "It's much better to study the case carefully and to make changes early rather than letting the assured use up all his loan value and lose what he has," Mr. Harrington declared.

In a talk on "Conservation Through Elimination of Twisting," Mr. Eddleblute brought out the tremendous importance of proper public relations. He emphasized the need for the life insurance business to make a point of developing friends and of avoiding the creation of enemies. Life insurance business is of a professional nature and the buyer must depend upon the agent for advice. When through misrepresentation or the withholding of facts an agent gets an assured to drop an old policy for a new one and is later discovered, the business as a whole is done a tremendous amount of harm. That policyholder and his friends and relatives all lose faith in life insurance as a whole. The association decided to join the state chamber of commerce.

Halgren Indianapolis Head

R. M. Halgren, State Mutual Life, succeeded C. F. Maetschke, ordinary department Prudential, at the annual meeting of the General Agents & Managers Association of Indianapolis. O. D. Pritchard, Union Central, was elected vice-president, and Paul Speicher, Research & Review, secretary-treasurer. Reports were made by officers and H. A. Luckey, State Mutual Life, talked on the legislative outlook. Plans for a general agents school and forum to be held early in the spring, somewhat simi-

lar to the one in Hershey, Pa., were announced. Enrollment of general agents and managers from several central states is anticipated. The association has been effective in the last year, 270 students having enrolled in its educational course for agents being conducted.

New Jersey Supervisors Meet

NEWARK.—The Life Agency Supervisors Association of Northern New Jersey will hold a dinner meeting in the Down Town Club here Dec. 20, at which time J. E. Hall, of the Penn Mutual Life, New York, will be guest speaker, on "Supervision." There will be an open forum. The executive committee held a luncheon meeting to lay plans for the 1939 season.

A membership drive soon will be started.

Nebraska Managers to Frolic

OMAHA.—The Nebraska Life Agency Managers Association will hold a party for members and their wives at the Athletic Club, Dec. 14. Dec. 20 there will be sponsored a one-day seminar conducted by Dr. Verne Steward, general agents and managers from neighboring communities being invited to attend. H. B. Ramsey, Prudential, is president; O. R. Frey, Bankers Life of Nebraska, vice-president; Don Parker, New York Life, secretary-treasurer.

Speaks to Columbus Managers

Verné Steward conducted a seminar for the Columbus, O., Association of Life Managers & General Agents.

Steward Talks at Toledo

TOLEDO, O.—Dr. Verne Steward spoke at a special meeting of the general agents' and managers' section of the Fort Wayne Life Underwriters Association.

NEW YORK

FOWLER, LIQUIDATOR, DIES

C. C. Fowler, who made a great record during the years when he was in charge of the liquidation bureau of the New York department, died at the age of 54. He had been in poor health since 1929. He was connected with the department from 1918 until 1931, as special deputy superintendent in charge of the liquidation bureau. During his administration he completed the liquidation of 46 insurers.

LIQUIDATION BUREAU MOVES

The offices of the liquidation bureau of the New York department formerly located at 111 John street and 4 Albany street, New York City, have been combined and removed to 160 Broadway.

OTT HAS RECORD NOVEMBER

November was the best written business month in the history of the A. V. Ott agency of the Equitable Society in New York City. A birthday party was given Manager Ott and he was presented with a scroll signed by every man in the agency representing 100 percent participation with the majority paying for five or more cases. The campaign lasted a month ending on Mr. Ott's birthday, Nov. 24. There were 246 applications covering \$3,160,176 of business written, while the paid business was \$1,384,072 covering 166 cases.

The birthday tribute ran concurrently with the annual scrimmage campaign at the end of which the leaders with their wives entertained at the New York Giants-Washington Red Skins football game.

By leading the agency in paid production for the month, Frank X. Shields was chosen "All-American captain."

METROPOLITAN'S COOPERATION

To show how Metropolitan Life is cooperating with S. E. C. investigation, it is interesting to know that two investigators are occupying the private office of President L. A. Lincoln who authorized them to scan all his private correspondence files.

MINNINGER'S RECORD

The F. M. Minninger agency of Connecticut General Life in Newark finished second in percentage of quota sold during the company's "mountain climbing" contest. The agency did 305 percent of quota and 10 men met the individual requirements. The agency shows an increase in paid for volume of 51 percent for the year to date and 31 percent in paid first premiums.

N. Y. PRODUCTION UP

The approaching changes in policy contracts of companies doing business in New York state were a marked aid in boosting production. Three agencies in New York City paid for more than \$2,000,000 for the month.

The Charles B. Knight agency of the Union Central Life paid for \$2,147,262 in November as against \$1,521,537 for November, 1937. First 11 months: \$16,525,059 as against \$18,286,896.

The C. E. DeLong agency of the Mutual Benefit Life paid for \$2,132,499 on 293 lives as against \$864,530 on 174 lives for November, 1937. First 11 months: \$14,224,202 on 1,997 lives as against \$11,684,056 on 1,859 lives.

The J. S. Myrick agency of the Mutual Life of New York paid for \$2,028,330 in November as against \$1,371,279 for the same month of 1937. For the first 11 months the total was \$17,075,063 as against \$22,293,602.

The Fraser agency of the Connecticut Mutual Life showed an increase of nearly 100 percent for November, paid production amounting to \$1,507,913 as against \$787,247 for November, 1937. Submitted business also showed a marked rise. Agents submitted 305 ap-



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We will appreciate
it if you will men-
tion THE NA-
TIONAL UNDER-
WRITER when
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applications for \$2,723,000 as against 179 applications for \$1,278,571 for November, 1937.

DEVITT ANNIVERSARY

The F. H. Devitt agency of Equitable Society in New York wrote \$2,294,709 in approximately 50 days in honor of Manager Devitt's twenty-fifth anniversary with the Equitable, it was revealed at the luncheon at which Mr. Devitt celebrated his anniversary. Among the guests were four of Mr. Devitt's first policyholders and a number of home office officials who were with the Equitable at the time Mr. Devitt started work.

Leaders in the contest, which was engineered by the agency's assistant managers, were J. Harold Machette, company leader for the New York district for the year to date, who turned in 15 cases for \$16,300; and Stuart MacCallum, who submitted 17 cases for \$220,000. Mr. MacCallum and Mr. Machette also led in paid business, with \$192,000 and \$148,000 respectively. Among the others submitting a large number of cases were Rose Albers and John Quin, who submitted 17 cases and 14 cases respectively. Mr. Quin is a grandson of the late Gage E. Tarbell, one of the Equitable's outstanding agency vice-presidents and for many years on its board of directors.

WASSERMAN TEST ACCEPTED

The Wasserman test, in spite of its "social implications," is accepted as readily as any other test or examination when no unusual emphasis is placed upon its inauguration. This is the experience of the medical department of the Home Life of New York which is now completing the second year offering Wasserman tests to the employees.

For many years the home office has offered the facilities of the medical department to the employees, and has urged them to undergo an annual health survey. In addition to investigation of health habits, physical examination and routine laboratory tests, x-ray and electro-cardiographic examinations have also been offered. About two years ago a Wasserman test was included in this examination.

According to Dr. James H. Humphries, assistant medical director, not one employee has protested about the inclusion of the Wasserman test. In fact, there is almost invariably a keen interest shown in the test and its results. It is accepted as an intelligent precautionary measure.

THREE ADDRESS MANAGERS

The New York City Life Managers Association put on a sales management conference during the afternoon preceding its gridiron dinner and entertainment, the speakers being W. Ross Harper, general agent Aetna Life, Philadelphia, and J. C. Elliott, general agent Penn Mutual, Newark, N. J.

Because of the illness of General Agent L. E. Simon of the Massachusetts Mutual, Manager Harold Taylor of the Mutual Life in New York City, conducted an open forum during the time Mr. Simon was scheduled to speak on stimulating production.

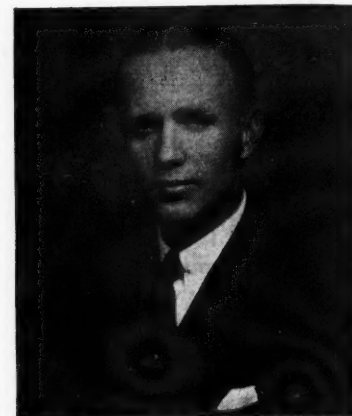
FLUEGELMAN AT TOP

D. B. Fluegelman, Recht & Kutcher agency Northwestern Mutual Life, New York City, led the entire Northwestern field force for October in paid premiums, amounting to \$55,762 and was second countrywide in volume of production.

DISCUSS "BUYMANSHIP"

R. B. Coolidge, superintendent of agencies Aetna Life, addressed the Aetna's Luther agency in New York City on "Buymanship." Discussing the Aetna estate control plan he said its use had the effect of making the prospect dissatisfied with his existing insurance setup and desirous of rearranging it and adding to it.

Now Johns & Finley



CHARLES A. FINLEY

The Home Life of New York announces Charles A. Finley will become a co-partner with Daryl D. Johns in New York City and the agency will operate as Johns & Finley. Offices are in the home office building at 256 Broadway.

Mr. Johns started the agency only two years ago when he was appointed general agent after serving as a home office agency field assistant. Mr. Finley during those two years has been successfully supervising the placement of business originating principally from general insurance sources. Through his activity Mr. Finley has become well known in insurance circles in the New York metropolitan area and during his association with the Home Life has specialized to a great extent in making the Home Life's planned estate service available to some of the well established general insurance concerns of the city.

A POLICY
WORTH
LOOKING
INTO!

General Mutuals SOCIAL SECURITY CONTRACT

In every line of General Mutual's Social Security Contract you'll find the many new selling features that make this policy so popular. It's easy to sell. It's an economical policy for the insured with extremely liberal commissions for recognized agents.

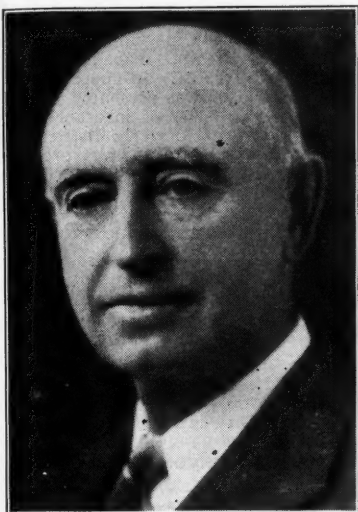
Get complete details from

**THE GENERAL MUTUAL
LIFE INSURANCE CO.**
VAN WERT, OHIO • C. M. Purmort, Pres.

LEGAL RESERVE FRATERNALS

Fraternal Pick Detroit for '39 Meet

DES MOINES—The officers and executive committee of the National Fraternal Congress met here this week and voted to hold the next annual meeting in Detroit at the Statler Hotel some time in August. The date will be announced



C. L. BIGGS

as soon as definite arrangements are made with the hotel.

The fraternal officials timed their meeting here so that they could be at the Commissioners gathering. In addition to the cabinet there are some 40 others here attending the Commissioners meeting.

Those at the committee meeting were C. L. Biggs, Maccabees, president; Frances D. Partridge, Woman's Benefit, vice-president; F. F. Farrell, executive secretary; Mrs. D. A. Talley, Woodmen Circle; J. L. Kantag, Polish Roman Catholic Union; Farrar Newberry, Woodmen of the World; T. R. Heany, Catholic Order of Foresters; J. V. Abrahams, Security Benefit; Alex O. Benz, Aid Association for Lutherans.

Martell Heads Congress

BOSTON—At the 15th annual session of the New England Fraternal Congress, composed of 20 societies with over a million membership and \$950,000,000 insurance in force, held in Boston, Charles H. Martell, Association Canada Americaine, was elected president; John O. Riggs, United Order of Golden Cross, vice president; Charles C. Feering, Ancient Order of United Workmen, secretary-treasurer.

Commissioner Harrington explained duties of his department at a banquet. A O. Benz, head of the Aid Association for Lutherans and member executive committee National Fraternal Congress, discussed activities of the national body.

Milwaukee Woodmen Meet

MILWAUKEE—Nearly 400 Modern Woodmen and their wives attended the annual dinner here of the 17 local units. F. R. Zimmerman, secretary of state-elect and a Woodmen member for 30 years, urged continued manifestation of the fraternal spirit. Otto Werkmeister, president Milwaukee Fraternal Congress, presided. Other speakers included Henry Turner, Paducah, Ky.,

national treasurer Modern Woodmen, Charles Ortman, Kankakee, Ill., state manager there, and D. W. MacMeekin, Wisconsin state manager.

California Opinion Holds Societies Not Taxable

Although many fraternal benefit societies have become direct competitors of regular insurance companies, U. S. Webb, California attorney-general, ruled, they cannot be taxed with insurance companies under the constitution so long as the insurance code exempts them from taxation, he advised A. E. Stockburger, director of finance.

"It is doubtless true," Webb said, "that many such societies have lost practically all the characteristics of a fraternal or secret society and their primary purpose is now that of transacting insurance business. What should be done about this, however, is a matter for legislative concern."

Other benefit societies, Webb ruled, such as employees' benefit associations are definitely exempted since they are subject to none of the provisions of the code.

Judge Karel, President of Equitable Reserve, Dies

Judge John C. Karel, president of the Equitable Reserve, Neenah, Wis., and past president National Fraternal Congress, died at his home in Milwaukee after a short illness. He was 65 years of age. Judge Karel served two sessions in the Wisconsin legislature and was a county judge in Milwaukee for many years.

He was born in Schuyler, Neb., his father being consul at Prague and St.



JOHN C. KAREL

Petersburg under President Cleveland. John Karel was purser on a lake steamer and a bank clerk in Chicago before becoming an attorney and removing to Wisconsin.

As a student at the University of Wisconsin he was one of the best known football players of the early days, being considered one of the great half-backs of the 90's. He successfully led the attack against the University of Minnesota team in 1894 and 1896.

Headed Society for 18 Years

Judge Karel had been Equitable Reserve president for 18 years, for many years was president of the Wisconsin Fraternal Congress and N.F.C. president in 1934. He had been ill seven weeks, under observation in a hospital for a time, then recuperating so that he was removed to his home. Recently he entered the hospital a second time but it

was not generally known that his illness was grave.

He was born Feb. 28, 1873. In 1912 he was Democratic candidate for governor of Wisconsin but was defeated. Through his experiences in handling probate and guardianship matters in the county court, he became an ardent advocate of life insurance and often said in speeches that no man should be permitted to marry unless he acquired enough life insurance to take care of his family obligations in case he was removed by death.

Funeral services were held at St. Peter and Paul Catholic church, with burial in Holy Cross cemetery in Milwaukee. Many prominent fraternalists attended, including N.F.C. representatives.

Seeking Interesting Bond Values

DES MOINES—J. V. Abrahams, secretary Security Benefit of Topeka stated at the meeting of the valuation com-

mittee of the National Association of Insurance Commissioners that the National Fraternal Congress working through Moody's Investment Service is endeavoring to get the intrinsic value of bonds where there are no market quotations.

Northwest Fraternalists Meet

MINNEAPOLIS.—Delegates from 31 fraternalists in the northwest held their annual convention here, speakers including Commissioner Yetka and C. B. Helm, secretary Insurance Federation of Minnesota.

Ascher "Neighbors" Know Answers

Six members of Sidney Ascher Camp 13045, New York City, appeared on the "True or False" program recently over the N.B.C. network. The Modern Woodmen team opposed a team of six "Knickerbocker Mothers" and were victorious in a close contest, with "Neighbor" Nat Edwards being the sole survivor at the finish line.

What Is Legal Reserve Fraternal Life Insurance?

(This is the fourth of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

4. Social activities and charitable work are made available for those members who wish to take part. Many fraternalists operate homes for aged members or hospitals. Rapidly growing juvenile departments provide excellent opportunities for children to take part in lodge work and social events.

Like the record made by the legal reserve fraternalists as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
President

Edwin M. Mason,
Secretary

THE PRAETORIANS

National Headquarters—Praetorian Building

DALLAS, TEXAS

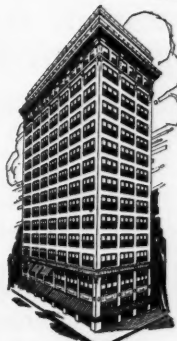
ORGANIZED—1898—FORTY YEARS OF
INSURANCE SERVICE

Issues FRATERNAL LEGAL RESERVE
LIFE INSURANCE on standard forms, ages
0 to 60. Amounts \$200 to \$20,000.

Operates strictly on the LEGAL RESERVE
PLAN. Realizing that it is the LEGAL
RESERVE that puts the safety under policies
regardless of whether the system is Stock,
Mutual or Fraternal.

If it is LEGAL RESERVE, the strength is
there.

Pays Seventeen Different Ways



Praetorian Building
Dallas, Texas

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Rina West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

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MILES M. DAWSON & SON

CONSULTING ACTUARIES
 500 Fifth Avenue New York City

Established in 1885 by David Parks Fackler **FACKLER & COMPANY**

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PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARY

Associates
 Fred E. Swartz, C. P. A.
 E. P. Higgins
 THE BOURSE PHILADELPHIA

Complete financial data, policy facts, rates and values in the 1938 Unique Manual-Digest. \$6. National Underwriter.

True Sense of Policy's Value Great Asset to Agent

NEW YORK—Conviction that one is offering something of real value to the prospect is essential in an agent, Hubert Davis, Knight agency, Union Central Life, declared in a talk in the New York City Life Underwriters Association's lecture course.

"If we are convinced of the tremendous value of life insurance as a solution to financial problems, if we appreciate to the full the great benefits that life insurance brings to mankind, if we are sure that because life is a mystery, life insurance is a necessity, we won't have to be told what to say and whatever we say will carry conviction, assurance and enthusiasm, which will not flinch before objections or objections," he declared. "We will not, as we often do, approach a prospect with a tinge of apology; we will not beg for interviews, but demand them; we will not thank men for seeing us but we will have them thank us for calling.

Method Dispels Fears

When we have reached this point in our mental attitude we will seek men out as we have never done before. Any fears of confronting prospects, hot or cold, will be dispelled, and a new zest will be brought to our work. Let me give you a simple suggestion which if followed will work wonders. Just before you turn the next doorknob, pause a moment and say to yourself 'I have a bag, filled to the brim with golden coins and I am going inside and give this bag of gold to Mr. Prospect.'

"That's what life insurance is—a bag of gold—and keeping that fresh in your mind, act as you would act when carrying golden coins to a man. With the ordinary kind of gold to give away you wouldn't hesitate to confront him, you wouldn't fear his objections, you wouldn't ask permission to sit down, you wouldn't beg him for five minutes of his valuable time nor thank him for granting it. Let us cut out the begging, the apology and the gratefulness and take on a new courage, one that is worthy of the contribution that we are making to society."

Contributes Poem

While most of his talk was devoted to the serious problem of meeting obstacles Mr. Davis contributed the following lines of poetry which certainly deserve a better description than his designation of it as "a wretched piece of doggeral."

"I told him that my company was cheapest in the field, I proved to him conclusively our biggest interest yield; I took a half a dozen others, ripped them into bits,

With Flitcraft, Best and Little Gem I piled up the bits.

Our premium was very low, our dividends tremendous, Our portfolio was perfect, our cash reserves stupendous. I knew he had insurance in "South Eastern" so I panned it— But I didn't get an app—and I cannot understand it."

RECORDS

Continental American Life—Closed first 11 months 14.3 percent ahead of the same period in 1937 in new paid business. November was 29 percent ahead of November last year, and October, 22 percent. Expects to set a new high in total volume for 1938.

Great-West Life—Exceeded all production records since 1929 in November drive in honor of President George W. Allan, with \$8,750,000 new paid for business in 2,403 individual sales. This figure excludes group. The Earl M. Schwemm agency, Chicago, placed first with the best month recorded, closely followed by Toronto and Winnipeg, managed respectively by C. F. Dunfee and P. V. Bond. November was the ninth month this year that an increase was shown over the corresponding month of 1937. The year to date shows substantial increase over 1937.

Union Central—November new paid for business was the best for any month this year with \$8,150,472, exceeding last year by 6 percent. The Knight agency, New York City, led with 221 cases for \$1,984,997, followed by H. A. Zischke, Chicago, 62 cases for \$636,275, and J. C. Benson, Cincinnati, 78 cases for \$542,135.

Equitable Life, Iowa—Registered best single month's production in November since September, 1937. The November figure was \$5,269,421. The November gain, excluding annuities, was the largest this year.

Occidental Life, Cal.—New ordinary insurance sales in November were \$10,000,000, increase \$2,500,000 over November, 1937. The group business amounted to \$960,000. The company is now more aggressive in its accident and health department.

Central States Life—November sales increased 5 per cent, being the fourth consecutive monthly gain. For the first 11 months sales are ahead 11 percent.

Connecticut Mutual—Paid business in November was \$11,309,359—19.9 percent above November, 1937. Yearly sales to date are \$85,222,010 which is within 2.6

percent of last year. Gain in insurance in force for November was \$4,895,486, making a gain for the year of \$25,795,475. Total in force is \$1,004,936,543.

Dinner with Trust Council

At a dinner meeting of the Baltimore C. L. U. chapter in conjunction with the Trust Council, G. A. Price, vice-president Peoples-Pittsburgh Trust Company, Pittsburgh, discussed "Business Insurance Trusts."

Staff Gives Argyle Brown 79 'Apps'

Representatives of Mutual Life of New York in South Bend, Ind., gathered at a luncheon marking the birthday of Argyle Brown, manager of the agency, who was 61. In appreciation of his leadership he was presented 79 applications for \$275,000 of insurance. Mr. Brown, who was formerly district manager at Evansville, Ind., was promoted to his present position in 1928, when the South Bend agency was established.

Sunset Life Agency Head Resigns

Caleb W. Baldwin has resigned as vice-president and manager of agencies for Sunset Life of Olympia, Wash.

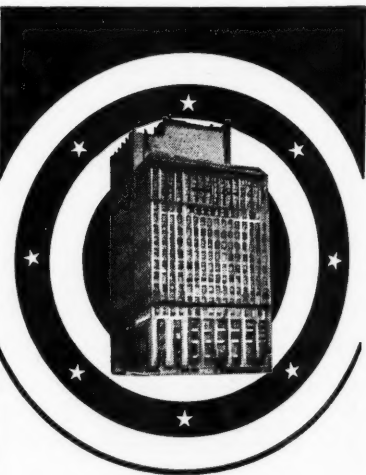
New Mutual Life Trustee

NEW YORK—The Mutual Life of New York has elected W. Gibson Carey, president Yale & Towne Manufacturing Company, a trustee.

Cleveland Cashiers Elect

CLEVELAND—With a new slate of officers, the Cleveland Life Agency Cashiers Association is planning another active season. The new officers are C. W. Brugge, Sun Life of Canada, president; W. A. Fitzgerald, Mutual Life of New York, vice-president; Miss Mary Pfaffmann, Northwestern National, secretary-treasurer.

Sales-making facts and figures are given in the Little Gem Life Chart.



General Agency
 OPPORTUNITIES
 for good personal
 producers

Central Life
 INSURANCE COMPANY
 of Illinois
 ALFRED MacARTHUR, PRESIDENT
 211 WEST WACKER DRIVE, CHICAGO

"You will become as great as your
 dominant aspiration; as small as
 your controlling desire."

Agency opportunities tailored to fit the Life Insurance Salesman with a dominant desire for growth, are found in this good company to grow with.

H. O. Hutson, Agency Vice-President
 O. R. McAtee, Director of Agencies

REPUBLIC NATIONAL LIFE INSURANCE COMPANY
 "Registered Policy Protection"

Theo. P. Beasley
 Pres. & Gen. Mgr.

Home Office
 Dallas, Texas

Thomas M. Mott
 Sec'y. & Actuary

Sales Ideas and Suggestions

Lower Interest Guaranty in Options Not Important

Changes in policy options with decrease in the interest guaranty, now in effect in many companies and to be inaugurated by the majority Jan. 1, should have no effect on the morale of the agency force if the present operating conditions in the business are thoroughly understood, according to Earl M. Schwemm of Chicago, Illinois manager Great-West Life. Mr. Schwemm comments on an article whose general tenor was that prospecting might be more difficult after the Jan. 1 changes.

The interest guaranty in options, he said, is a minor factor in most cases; so much so that it may be practically disregarded by all agents.

"If any agent will stop to analyze his business," Mr. Schwemm said, "he will find that a great part of the insurance that he writes and has placed in force involves either payment of lump sum proceeds or limited income installments for a small number of years, so the interest factor is inconsequential.

Suggests Breakdown

"Even in the carefully worked out estate program with income payments arranged for the beneficiaries over a great number of years, it will be found if the arrangement is broken down into its various parts the reduced interest guaranty would have little effect. For shorter periods a larger proportion of principal is used in the income payments.

"Of course it should be understood by agents that the reduction of interest guaranty does not mean that the companies actually would begin to pay the lower scale. Instead they will pay the old scale through the excess interest factor just so long as they are able. The companies have every desire to continue doing so. If they ever have to go down to the lower guaranty, this would be a good step to take for the safety of the life insurance institution.

"In the usual life insurance estate plan we have first a cleanup fund which is lump sum insurance and obviously not affected by the reduction in interest guaranty in the options. Next there is the readjustment fund for the widow, which usually is paid in a monthly income running only about a year. Next there is the emergency fund, which is set aside not primarily for interest accumulation but to provide a lump sum for unexpected contingencies.

Dependency Period Short

"Another element in the plan is the life insurance specifically set aside to cover the children's dependency period. This period is brief, usually covering only four to eight years, and therefore the installments are the prime consideration and not the interest return.

"Practically the only element, therefore, in the life insurance estate plan that might be affected markedly by the interest guaranty reduction is the income for years certain and for life of the widow after the end of the dependency period. Such an effect is well in the future and only problematical after all.

"I think the main responsibility of general agents and managers today is to keep their agents on the track and not permit this interest action by the companies to throw the agents off.

"Prospecting after Jan. 1 should not be in a more restricted field. The people will have the same needs that they always have had. In years past life

insurance salesmen looked to the policy contract for the merits of the sale. That is not the process today, for now we find reasons for the sale in the prospect's own needs. If we disclose his needs it will not make any difference whether the interest guarantee in the options is 3 percent or 2½ percent."

Mr. Schwemm said reports of various studies show the majority of the agents' sales in the future will come from people that they do not know today, therefore the prime job is prospecting, the

same as it always has been.

He said managers and general agents would find an effective means of taking the agents' minds off the many changes would be to start campaigns with a different appeal, such as juvenile or group insurance, coverage against mortgages, taxes, etc., all of which is lump sum insurance. By the time these campaigns have been wound up, the option changes will have been forgotten and the agents will be able to go ahead with their business.

Mr. Schwemm suggested it would be advisable for agents to be more careful in distributing life insurance after Jan. 1. The old insurance, he said, properly should be used for life income, as the instalment factor is more favorable, and the new policies for cleanup and other needs where the interest factor is of practically no importance.

Factors in Gaining Prestige Discussed in San Francisco

One of the most effective means of developing prestige in the life insurance business is by meeting many people and impressing them with one's knowledge and skill in the business, Henry Belden, associate general agent Union Central, Los Angeles, declared in a talk before the San Francisco Life Underwriters Association. Mr. Belden some time ago suffered loss of both legs and underwent more than 55 operations during a long siege of illness. His talk dealt with a formula for prestige building.

This formula, he said, is made up of knowledge, ability, integrity, friendships and success. Success is prestige, for one begets the other.

"The best type of prestige building is a job well done," he said. "You should be very careful in the type of advice given to a client. Make him feel he understands it as well as you and impress him with your sincerity. In friendship, true character will show. Many agents do not like to sell friends . . . but friends should be canvassed.

"Give some information about a job done for another client—particularly if it was a 'job well done.' Do not build yourself up as a super-salesman. Have a very, very fine knowledge of insurance and be sincere in what you do, say and sell. Do pre-application work; let your prospect find out who you are. Self confidence is backed by ability."

Competition is a stimulant to success in business just as it is in sports, Jack McCord, general agent Columbian National, Los Angeles, stated in a talk. He is a former football official. In sports, success is 40 percent ability and 60 percent spirit, he said. He compared business with various sports, emphasizing lessons learned from the game, particularly in maintaining enthusiasm and knowledge. He told how one can learn from defeat, in business or sports, and how great football coaches and players have learned and progressed because of defeat.

Mr. McCord believes the "more competition we have in business and sport,

Plan and Hard Work Success Formula

CLEVELAND — A systematic work schedule and plenty of hard work are required to win success in life insurance selling, Helen B. Rockwell, National Life of Vermont, Cleveland, told the Cleveland Women Life Underwriters at a meeting. She is retiring chairman of women's quarter million dollar round table, National Association of Life Underwriters, and has served as chairman of the women's division of the National Association of Life Underwriters. Miss Rockwell told methods used by high ranking women underwriters.

From her close association with the big producers, she has found that hard work is a primary requisite. These successful women have devoted themselves to the business day after day, week after week and year after year. Some organize their time a year in advance and budget hours closely from day to day.

Deliberately Seek Prestige

They have their vacation times but these are planned vacations and nothing else is allowed to interfere with their work. This does not mean that they have no social activities. On the contrary, the successful woman underwriter devotes a certain amount of time to club work and civic activities. Prestige in the community is a valuable asset which should be cultivated. Many successful women producers have attained civic

leadership in their communities without impairing their working hours.

Without exception, the successful producers have demonstrated their knowledge of insurance and attained a poise of confidence. They know what they are talking about and stick to the point. They see their prospects almost entirely by appointment and employ a professional attitude in selling. A large number of the high women producers employ their own personal secretaries out of their own pocket and derive added benefits. These secretaries are a great aid in prospecting and lining up appointments.

Keep Abreast of Times

Most women underwriters read the insurance journals and apply the successful methods of others. They keep abreast of conditions and are alert to new opportunities.

The women's division of the National association has directed much effort during the past year to building the prestige of the underwriter. Committees have focussed attention on services rendered rather than business volume. The value of the National association in gaining public recognition is immeasurable.

Miss Rockwell said 90 women underwriters in the country last year sold a quarter million or more of life insurance each.

Circle Birth and Changes of Age Dates on Calendar

In delivering advertising calendars it is a good idea to draw a red circle around the prospect's birthday and also around his change of age date. When a call is made later on a change of age date the agent can point to the calendar and call attention to it, giving a good tie-in to his approach.

the better for the country and selling." "Mediocre ability with spirit and enthusiasm is better than 90 percent ability without the other," he said.

The same rules for success prevail in both sports and business.

V. T. Motschenbacher, manager Sun Life and association president, outlined plans for the year. The membership drive is being conducted by H. V. Montgomery, membership chairman, and T. A. Gallagher, chairman committee on constitution and by-laws, presented amendments which were adopted. Annual dues are increased for members and general agents and managers—the latter voluntarily increasing their obligations. Directors, hereafter, will be elected for staggered terms.

Gives Three Success Factors

TOPEKA, KAN. — There are three essential factors in successful merchandising of life insurance, E. A. Hasek, general agent National Life of Vermont, Kansas City, Mo., told members of the Life Underwriters Association here. The first is possession of contacts or ability to make them; second, knowledge of the business, under which come organized work habits, and third, application of knowledge to contacts in view of existing economic conditions, whatever they may be at the time. Mr. Hasek touched on use of life insurance as a method of meeting taxes. Bankers, investment men and other business leaders of Topeka were guests.

Too Many "Die on Third"

At the "caravan" meeting in Oakland, Cal., staged by members of the San Francisco Life Underwriters Association, W. V. Power, general agent Connecticut Mutual Life, San Francisco, likened the business to a baseball game, saying that "too many underwriters get to first and second base, and too many die on third."

Meeting "See Me Later"

An idea Ralph Rice, Jr., of the Prudential in Kansas City here has found effective in selling business, and especially in meeting the almost universal response, "See me later," consists of a list of applicants for insurance who have been rejected by the company during the current year and the amounts for which they applied. Also included are the ages of those applying, to show that many young men are turned down, and the occupation of applicants.

Mr. Rice discussed the idea before the young men's division of the Life Underwriters Association there.

"A prospect is a man you can sell without loss of too much time."—T. G. Murrell, Mutual Benefit Life, Los Angeles.

Instead of selling retirement income, Alberta Allen sells a "rocking chair" policy.

Education is not "received"—it is achieved.

Application brings applications.

Atlantic's Unit Plan for Personal Security

A modern method of merchandising Retirement Income—only one of the many sales helps with which Atlantic Life representatives are equipped.

If you are interested, write to
Robert V. Hatcher, Secretary and
Superintendent of Agencies

ATLANTIC LIFE INSURANCE COMPANY

Richmond, Virginia

The COLONIAL LIFE INSURANCE COMPANY of AMERICA

A PUBLIC SERVANT SINCE 1897

The Colonial patriot, John Quincy Adams, said we should respect our forefathers and think of our posterity.

We add: To provide for our posterity is our responsibility.

OVER 113 MILLION IN FORCE

Home Office—Jersey City, N. J.

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Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)

No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

Golden Jubilee Celebration at Chicago Draws 1,100

(CONTINUED FROM PAGE 3)

ciety, secretary National Association of Life Underwriters, 1930; A. E. Patterson, vice-president Penn Mutual, 1931; J. R. Hastie, Mutual of New York, 1932; Roy L. Davis, assistant insurance director of Illinois, 1933; Frederick Bruchholz, New York Life, 1936; A. E. McKeough, Ohio National, 1937.

T. L. Fansler, Northwestern Mutual, according to the records is the oldest living president, his term having been in 1909. Others unable to attend were Alfred McArthur, president Central Life of Illinois, 1916; E. C. Fowler, New England Mutual, Chicago, 1918; U. C. Upjohn of California, retired, formerly with the Union Central in Chicago, 1921; Darby A. Day, 1922, who died recently and formerly was with the Mutual of New York and Union Central; H. C. McNamer, 1923, and T. F. Lawrence, president Life of Detroit, 1934.

Mr. Whatley was toastmaster, being presented by J. H. Brennan, Fidelity Mutual, general chairman. H. J. Johnson, general agent Penn Mutual, Pittsburgh, and National association president, spoke on "Progress of Life Insurance."

This was a brilliant function which had been in preparation for several months. After the invocation by J. T. Stone, dean Presbyterian Theological School, C. B. Stumes, Penn Mutual, Chicago association president, gave an address sketching history of the association and ideals on which it was founded.

Howard Preston of the Travelers, noted concert singer, rendered two operatic arias. The speaking part of the program was wound up by Dr. Clifton M. Utley, head of the University of Chicago council of foreign relations, who told of the foreign situation and its significance in this country.

There was an elaborate entertainment program during and following dinner. Irving Margraff and his Blackstone string ensemble played during the dinner, Russell Crandall being harpist. After dinner there were several novelty acts, including performances by dance teams, then a dance with music by Straight's CBS-WGN orchestra. The Chicago association quartette rendered selections during the evening.

The celebration drew a large attendance from outside the city, there being a home office man or some special representative from almost every company operating an agency in the city that was a member. In line with the close cooperation between the life underwriters and trust officers of banks, a number of the trust companies had special tables at the affair.

Much of the credit for success of the jubilee is accorded Miss Joy M. Luidens, executive secretary, and her assistants, Mrs. Kathryn Garrabrant and Miss Martha Elder, who did the detailed work.

The association is preparing for its membership campaign to start soon. J. H. Brennan, chairman, has appointed W. H. Siegmund, supervisor Zimmerman agency, Connecticut Mutual, and George Huth, Provident Mutual, vice-

chairmen, and team captains have been designated. The Chicago association led the country at the Houston annual National convention with 1,657 official paid membership, which has risen to 1,660. Various agencies and individuals gave cocktail parties prior to the dinner.

COAST

Veterans Buying Homes on Contract Are Insured

The life insurance plan to protect unpaid balances of home purchase contracts held by California war veterans has received the approval of the Veterans Welfare Board, state department of finance, attorney-general, and insurance commissioner. The master insuring contracts covering the group of some 17,000 eligible veteran home purchasers has been made with California-Western States Life and Occidental Life of Los Angeles.

Nearly 10,000 applications approximating \$30,000,000 were received before final action on the plan was announced, and it is expected that the 75 percent of purchasers will enroll at once so as to put the insurance in force at an early date.

Each purchaser covered under the plan will be insured for the exact amount of the unpaid balance under his present purchase contract. As the balance is paid off, the insurance decreases.

All present holders of farm and home purchase contracts are eligible under the plan. There are no restrictions regarding age or health, provided acceptance is made promptly.

The initial cost will be \$1 per month per thousand of the unpaid balance of the purchase contract. The cost will decrease monthly as the outstanding balance is decreased. This rate will be continued until the mortality experience warrants an adjustment.

Scan Possibilities in Idaho

According to reliable advices from Idaho a new commissioner will be appointed shortly after the first of the year to succeed Warren H. Bakes, who has held the office for the past eight years.

The change is due because of the passing of the Democratic administration, which has been in power eight years.

Several names are being suggested, all being actively engaged in the insurance business for at least more than five years according to the law of Idaho, which confines the office of insurance commissioner to the selection of one who is engaged in the business. Among those mentioned are Col. D. C. Neifert, former commissioner; Harry Harn, local agent of Boise; Harry Cornelison, local agent at Moscow, and H. L. Walrath, local agent at Oro Fino. Col. Neifert has been connected with Northern Life of Seattle at Boise since leaving the commissionership several years ago.

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Term to 65-Level Premium One Year Term-Renewable

Two new Term insurance contracts now available that will help you to offer clients protection formerly unavailable.

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BINGHAMTON, N. Y.

MUTUAL TRUST

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Three per cent net level premium participating policies for men, women and children.

Licensed in the East as well as the West:

Maine	Illinois	Michigan
New Hampshire		Wisconsin
Vermont		Iowa
Massachusetts		Nebraska
Rhode Island		Minnesota
Connecticut		North Dakota
New Jersey		California
Ohio		Washington

Men who believe they have general agency qualifications may obtain full particulars by addressing the agency department.

NOTHING BETTER IN LIFE INSURANCE

AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. MOODY, JR., President

Thirty-third Annual Statement, December 31, 1937

Insurance in force
\$671,629,425.00



Industrial and Ordinary

Operating from Coast to Coast, from the Great Lakes to the Gulf, in Cuba, Puerto Rico and Hawaii

Friendly • Progressive • Strong



Sure!

IT'S

**Merry
Christmas**

The end of a year always brings a "Check up". Well, I've checked up, and I find that 1938 has been good to me, and I'm proud to be a representative of Bankers Life of Nebraska. The cooperation and help I've had from my company has made it possible for me to say "Merry Christmas" and really mean it.

My prospects for 1939 are bright, and you can bet that when another year rolls around I'll be right here saying Merry Christmas again. That's traditional with Bankers Life of Nebraska.

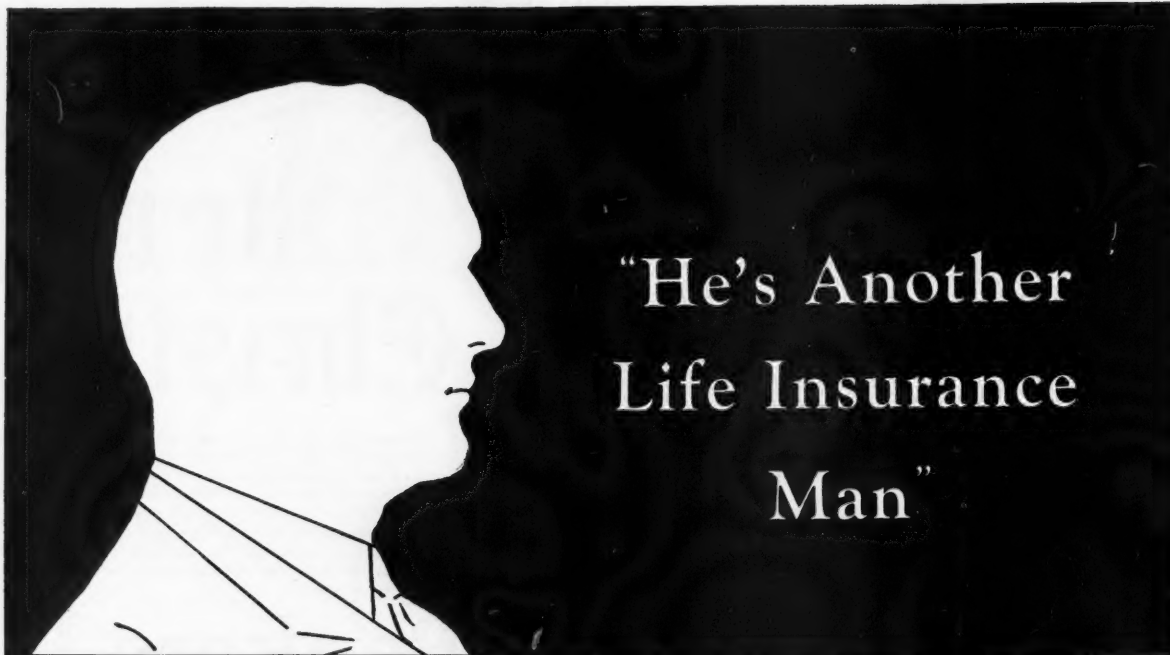
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INSURANCE COMPANY of Nebraska
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Recognized everywhere
as

*"One of
The Best"*

**CENTRAL LIFE
ASSURANCE SOCIETY**

HOME OFFICE • DES MOINES



If *that's* all the prospect knows about him— what chance has he to make a sale?

HE MAY BE a good sincere underwriter—know how to arrange life insurance programs to the best possible advantage of the client. But if, in the mind of this prospect, he's just another life insurance man—he's sunk.

He needs what life underwriters call prestige—what the man in the street calls a “build up.” With prestige and ability—he'll go places. Without *both* he's lost.

THE ESTATE-O-GRAPH can't give you ability. It *can* give you prestige—and sales if you have the ability to back up this prestige.

Here's how hundreds of life underwriters are building prestige for themselves in a dignified manner and without a lot of expense.

They send copies of this unusual pictorial to a selected list of prospects. THE ESTATE-O-GRAPH acts as their advance agent. It builds them up with prospects. It interests the prospect because it pictures his problems. It makes the prospect acutely conscious of these problems. And it builds the underwriter up as the man who can help these prospects solve their problems.

The beauty of this plan is that you can concentrate on a small list of logical prospects, follow up your mailings, sell these prospects and then gradually broaden your sphere of activity. You advertise as you sell, by selecting logical prospects and concentrating on them.

What The Estate-O-Graph Is

THE ESTATE-O-GRAPH is a monthly pictorial visualizing the benefits of life insurance for the man who buys it. Each

issue contains 8 pages of motivating pictures visualizing some benefit of life insurance. The pictures are interesting, convincing. They show how life insurance meets the needs of *real* people in real, *true to life* situations.

It is *your* publication. Your individual imprint is carried on both the front and back pages. It can carry your picture on one of the covers if you wish. Except in the larger cities, it is sold on the exclusive basis.

THE ESTATE-O-GRAPH is printed in rotogravure. It is an attractive and impressive looking magazine, the kind you want to represent you with prospects.

THE ESTATE-O-GRAPH advertises *YOU*. It builds you up in the minds of prospects—gives you that much-needed prestige. When you call, you have a far better chance of being well received, of getting a good interview, than you would have if you went in unknown and unannounced.

The Estate-O-Graph Portfolio

This portfolio contains samples of 12 different issues of THE ESTATE-O-GRAPH and information regarding the service. It shows you how the service is being used by other underwriters. With the sample copies you can test the picture appeal by using them in personal solicitation and noting the results.

The portfolio is sent upon receipt of 25 cents. Address the National Underwriter Company, 175 West Jackson Blvd., Chicago, Illinois, or ask any National Underwriter representative.